The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Japan Puts Out New Peace Feelers As War Grows More Serious

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Million Dollars Worth of Opium But Few Customers Here

Americans Continue to Consider What They Should Do About the Far East

Missions to Make Full Claims for Damaged Properties

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More American Flags for Far Eastern Ships

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Overseas Chinese and the Present Crisis . . . By Kong Yu-leong

Has the Time Come for a Russo-Japanese War? . By Peter South

What America Is Reading About the Far East . . By George Kao

SATURDAY, APRIL 30, 1938 VOLUME 84, NUMBER 9

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SOCONY FOR ECONOMY GASOLINE

A STANDARD-VACUUM PRODUCT

In the United States Court for China

ERNEST F. VETKOETTER, Plaintiff,
v.
MARION ELAINE P. VETKOETTER, Defendant.

Cause No. 4320
Civil No. 2199
ORDER

Filed at Shanghai, China, April 14th, 1938.
William T. Collins, Clerk.
E. J. Collins, Dep. Clerk.

ORDER

The object of this suit is the dissolution of the bonds of matrimony between the parties hereto.

WHEREAS plaintiff herein, by his attorneys, has this 14th day of April, 1938, made application for the substitution of publication for personal service of summons upon the defendant herein; and

WHEREAS it appears from the files of this case that on the 14th day of January, 1938, the summons for the defendant was returned by the Marshal of the United States Court for China with the following noted thereon; "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS it appears from the files of this case that on the 14th day of April, 1938, Ernest F. Vetkoetter, the plaintiff herein, filed an affidavit to the effect that the defendant herein was not residing in the Republic of China nor has she been within the jurisdiction of this Court during the last two years previous to the 14th day of April, 1938.

NOW, THEREFORE, it is this 14th day of April, 1938 ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the "China Weekly Review" a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 30th day of April, 1938, the day of the last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT.
MILTON J. HELMICK
Judge,
United States Court for China.

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The China Weekly REVIEW

Formerly Millard's Review

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Formerly Millard's Review

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COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 160 AVENUE EDWARD VII, SHANGHAI, CHINA, TELEPHONE 14741. CABLE ADDRESS "REVIEWING SHANGHAI."

MILLION DOLLARS WORTH OF OPIUM BUT FEW CUSTOMERS HERE

WE have no idea what opium is worth when sold by the ton, but recently it was reported that between two and three tons of the drug had been smuggled into Shanghai since the Japanese started their military operations on the China coast. Not all of this opium came from Japanese sources in Tientsin, Dairen or Jehol, but considerable of it did. Considerable of the opium brought here originated in Persia, but it was handled by the Japanese. Most of the opium brought here from North China was handled by Chinese agents of Japanese concerns. Of the opium brought here, the Customs authorities are said to have seized about $1,000,000 worth. But since the Chinese customs authorities do not function in the Hongkew and Yangtszepoo sections of the harbor where Japanese ships land their cargoes without customs inspection, it is obvious that vast quantities of opium as well as derivatives are brought in, particularly by Japanese ships from northern Chinese and Manchurian ports.

Local authorities claim there has been a corresponding increase in the amounts of morphine and heroin brought into Shanghai since the beginning of hostilities.

A report in *The China Press* on April 24 stated that seizures of opium have become commonplace affairs. The largest seizure was on a British ship anchored at the French Bund. The amount was said to be nearly a ton, valued at a quarter of a quarter of a million dollars. Several other seizures exceeded in value $100,000. Police of the International Settlement allegedly have seized $50,000 worth since the first of the year. The police had seized about $14,000 worth up to the middle of the present month. The authorities of the French Concession are said to have seized $150,000 worth of opium since Jan. 1. In both cases these seizures represent opium which had been brought in without the knowledge of the Customs authorities,

perhaps through the Hongkew-Yangtszepoo districts which are controlled by the Japanese Army and Navy authorities.

Police and other authorities claim that for every ounce seized, at least five ounces reach dealers and consumers. Heroin and morphine, both derivatives of opium, which had practically disappeared from the local market are again beginning to appear in considerable quantities. Opium now entering the city comes from Chinwangtao in the North and Swatow in the South. Chinwangtao opium originates with the Japanese-controlled Manchukuo opium monopoly bureau, while the opium from Swatow may come from Yunnan or possibly India. Japanese opium, produced in Jehol (Manchukuo) sells for about $11 an ounce while Swatow opium, being of higher quality, sells for $16 an ounce. Persian opium, being a luxury article, sells for $40 an ounce. Heroin and morphine sell here for about $100 an ounce.

The greatest sensation on the opium and narcotic fronts last week was the disclosure of undisputed evidence that the Japanese Army in Nanking is selling opium to the public through its so-called "special service departments," somewhat resembling army canteens in occidental countries. This disclosure proves the oft-repeated, but never proved, allegation that the Imperial Japanese Army is in the opium and narcotics business. The objectives are two fold: Revenue and the doping of the population—Japanese military method of pacifying subject peoples.

Representatives of the League of Nations and other organizations, including official organs of foreign governments, who are familiar with the narcotic situation in the Far East, expected an increase in the illicit traffic in these drugs as a result of the war, but they were unprepared for such increases as those recorded in the police and customs' records of seizures, referred to in the foregoing.

But there is another element in the situation which is of peculiar interest to the United States. While large quantities of opium and derivatives have been brought into Shanghai the opportunities for sales here are limited, in fact they are practically nil, due to three reasons: First, the evacuation of the elder members of wealthier classes from Shanghai and environs; second, disappearance of established dealers and break-up of smuggling organizations; third, knowledge of the people generally, that the Japanese are now the chief dealers, directly or indirectly in habit-forming drugs.

The element in the situation of special interest in the United States is that the accumulation of opium and narcotic stocks here, and the development of Shanghai as a narcotic base similar to Manchukuo and Tientsin, constitute a distinct danger to the United States because of smuggling from this port to cities of the United States, particularly on the West Coast.

Americans Continue to Consider What They Should Do About the Far East

DESPITE renewed isolationist tendencies by certain vocal elements in Congress, most American magazines again display interest in developments in the Far East. The magazine Newsweek, edited by Raymond Moley, forecasted that America's ultimate aim was to press Japan into a peace settlement with China and into participation in a general Pacific settlement. Pressure would probably be applied through the revival of another Brussels Conference or through further French, British, American notes to Japan. But no such move would be made until military and naval strength could be built up in the Pacific and until United States public opinion would support such a drive. The suggestion was made that a peace invitation to Japan might be issued shortly and might conceivably coincide with the American manouvres along the Hawaian-Samoan line, which is generally regarded as the projected line for a blockade of Japan. Other elements which enter into the situation were the scheduled Soviet spring army-navy and air manouvres in the Far East and the dispatching of six British battleships for permanent station at Singapore.

⁂

Bruce Bliven, editor of the New Republic, writing under the title; "What Next " suggested the possiblity that Great Britain is working for a negotiated peace in China as she did in Spain; the object being to prevent a knockout blow by either side. Mr. Bliven said; "Britain has hoped to arrange a truce and a peace settlement under her own auspices which would at once prevent a radical regime linked with Moscow or a puppet government controlled by Japan and in allegiance with Germany, Italy or both. There is no humanitarian nonsense about the dominant group in the British Cabinet. "China has now amply proved her power of resistance. Japan is daily sinking deeper into a morass of financial and economic difficulties. If either side should win overwhelmingly, its first act would be to throw the white man out of the Orient. In view of the well-known predilections of the British Tories, it is not unreasonable to suppose that they might

seek to bring about a negotiated peace. Let the Japanese retain the area north of the Great Wall, let Japanese advisers participate in the local government of the other northern provinces. Let not only the Japanese but all foreign troops be withdrawn from China on a time schedule covering a year or two. Arrange very large foreign loans on a consortium basis, each power contributing a fixed percentage and enjoying a fixed percentage of China's foreign trade. Follow this with another conference for naval limitation. To be sure, Japan might not accept these terms though every passing day makes it seem more reasonable to suppose she will. Her situation is becoming considerably more serious, while the Chinese, with foreign assistance, have completely upset Japan's plans by the effectiveness of their resistance. I do not say that this is Britain's fixed determination in the Far East. I only say that no one can be sure that it is not and that it would be the height of folly for the United States to base its policy on a contrary presumption. England refused to follow our lead in Manchuria in 1931 and we were left out on a limb. England again refused to follow our lead when the United States sought to impose oil sanctions on Italy early in the Ethiopian affair and again we were out on a limb. England agreed only with reluctance and tardily to open negotiations for a trade treaty with the United States. I would only suggest that before we base on British cooperation such a vital American policy, we had better make sure that we know what we are doing."

The *Saturday Evening Post* also attempted a realistic consideration of China's situation under the heading "Chinese Fairy Tales." The writer of this editorial said that it was ridiculous to regard guerrilla warfare and boycotts was being able to defeat Japan. He disputed the argument of China's invulnerability and stated that while it may be true that invaders of the ancient past had failed to rule China permanently, it was a fact that most of them had managed to make a very good thing out of their conquests, anyway. Recognition must be made of the fact that China had never been invaded by forces bent on permanent conquest since the development of rapid transportation and communications. Air transportation, automobile transport, rapid rail transportation, fast ships, the telephone, the radio and modern telegraphy were not at the command of the conquerors of the past. Once they had penetrated to the political centers of China they were many weeks removed from their natural bases so far as communications was concerned and many months removed so far as transportation was concerned. They were absorbed and consumed by China and the Chinese because of the lack of a communication-transportation tie to their homelands. The Japanese with their power to protect their lines with 1938 model transportation and communication run no risk of any kind of mysterious biological, physiological—metaphysical or other brand of absorption by the Chinese. If you eliminate mysticism, it seems very plain that if neither Russia nor any other powers steps in, Japan, can, and will, take China. The Occidental world must face the strong future probability of an effectively organized Japan empire of Asia." (Written three months ago).

Of special interest in connection with the editorial attitude of the *Saturday Evening Post* was an interesting article in the March 19th issue of that magazine entitled "China's No. 1 White

Clarence Edward Gauss
Consul-General at Shanghai, who is returning to Washington on leave.

Boy" by H. B. Elliston. Mr. Elliston, who is financial editor of the Christian Science Monitor, resided in China several years ago where he was engaged in newspaper work. He is a native of Yorkshire, England, but has become an American citizen. His article dealt entirely with William Henry Donald, Australian born newspaper man, who played such a prominent part in the so-called Sian Incident and who has served for many years as an adviser to Chinese leaders. In the course of the article—too long for reproduction here—Mr. Elliston quoted a letter which he had received from Donald just before the outbreak of the war. In this letter Mr. Donald said:

"You will know all about it long before you get this but China is going to fight. The German advisers say that China can hold out against Japan and if the officers and men do what they are told, she can, in the course of time, defeat Japan. They remember what trench warfare was in the Great War and how the people in Madrid have held out during the past year. So, despite the fact that China has very inadequate air resources, and that the Japanese are superior in artillery, they feel that China has nothing to be afraid of now. Before you get this, the Central government forces will be in action against the Japanese and you will know how they stand the first test. Somebody ought to draw a cartoon of a monkey with his hand in a jar of nuts. That is the position that Japan is in. If she lets go the nuts, she can get out of this situation, but if not, she is going to have a bad time of it, for her internal

situation is not going to be improved by the adventure the Army gentlemen have started upon."

In concluding his article on the service rendered by Mr. Donald, Mr. Elliston said: "If China had no Donald, she would have had to create one, a go-between, alien to China, incorruptible, sincere. This accounts for the intervention at Sian." He explained however, that Donald had been more than a counselor or go-between. Donald had been a censor who has kept the government apprised of the peoples' grievances, an activity in Chinese politics which goes back to the time of Mencius. . . Most of China's advisers think it is part of their job to tout China to the Western world. But Donald never was a mere propagandist. Likewise Donald has made little or no money out of the Chinese. He has been handsomely recompensed on paper but his salaries have always been in arrears.

The April number of *Foreign Affairs* (New York) contained an authoritative article by Tyler Dennett on "Alternative American Policies in the Far East." Mr. Dennett, who has traveled in the Far East, was formerly historical adviser in the State Department and more recently was President of Williams College. He said that a new chapter was opening in Japanese-American relations—following the settlement of the Panay incident—and that the United States now had before it in the Far East, a broad choice between non-resistance and coercion. "The American Government can, in the face of continued Japanese encroachment upon American rights, make protests; appeal to reason, honor, fair dealing, and respect for treaties; and 'reserve its rights.' It may even withdraw from the Orient entirely. Or it may adopt any of several forms of coercion, beginning with threats and widening out through naval demonstrations and economic measures (of which there are many) to military action. The action, of whatever nature, could be independent, or it could be cooperative with other Powers, concurrent, concerted, associated or allied. Whatever the measures adopted, whatever the objective—whether narrowly to protect American lives and property, to preserve American interests, to avoid war at any cost, or more broadly to promote orderly international relations—the alternatives are essentially the same: Shall a course be adopted which, followed to the end, places the United States in economic and military conflict with Japan? Or shall the policy be one which adheres exclusively to pacific means?"

After reviewing the extent and nature of American interests in China, Mr. Dennett quoted Secretary Hull's letter to Vice-President Garner, written last January, "There is a broader and much more fundamental interest—which is that orderly proceesss in international relationships be maintained." The allusion was to the influence which Japan's example of utter faithlessness toward treaties ever since the Manchurian adventure would have on the peaceful conduct of international relations all over the world.

Mr. Dennett's discussions of various possible lines of American policy always came back to the question of what would happen if the Japanese Army or Navy should supply another Panay incident? He said that if American public opinion in a war once begun could be restrained from hysteria, it would be quite feasible to fight a successful war with Japan in which no troops would be landed in any Asiatic region. "There could be a naval war in which Japan would be instantly cut off from the use of all American ports and from the Panama Canal. By similar action on the part of England at Singapore, Japan would be separated from Europe except through Siberia, where the U.S.S.R. stands in the way."

But the American people are not now prepared to support a war against Japan, in Mr. Dennett's opinion. "But Japan would make a mistake to count too heavily on this situation. Nearly three years were required to bring the United States into the World War . . . . All that can be said for the moment is that both Japan and the United States are living dangerously, the one by a policy of ruthlessness, the other by indecision. The United States *vis-a-vis* Germany in 1916: the United States vis-a-vis Japan in 1937. The parallel is not complete, for whereas the Germans in 1916 might doubt that the entrance of the United States into the war would materially change the odds, the Japanese, dependent on the United States now for supplies and later for capital, well know that war with us would be something like suicide. In view of this, the present policy of the Japanese is to be explained only on the grounds that without warrant they have assumed that under no circumstances will the Americans fight. In this the Japanese are mistaken."

PROTEST RECEIVED AND FILED

Elderman in the Washington Post

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There is special interest in any discussion of possible developments in American foreign policy toward the Far East at this time due to the early departure of Clarence Edward Gauss, American Consul-General at Shanghai, on home leave. Mr. Gauss has served at Shanghai on four different occasions and on each at a time of crisis. His first appointment was in 1907, immediately following the Boxer Rebellion and the period preceding the first Revolution in 1911. He then went back to the Department, of State, but returned in 1912, the year following the down-

fall of the Manchus and the establishment of the Republic. He remained here until 1915 through the troublous days following the outbreak of the World War.

JAPANESE PEACE MOVES

Knott in the Dallas Morning News

He then served at other posts in China—Amoy, Tsinan, Mukden—and then back to Shanghai in 1926, in time for the complications at Shanghai arising from the Nationalist Revolution. After 1927 he was assigned to Tientsin and following another period in the Department, he returned as Counsellor of Legation at Peiping.

In 1936 he returned to Shanghai and again at a time of serious crisis in China's relations with her near neighbor, Japan; a crisis which has more seriously affected Americans and other foreign interests than any development, military or political, which has occurred in the Far East since the establishment of our treaty relations with China, nearly a century ago.

While Mr. Gauss' plans are not known it is expected that he will spend considerable time in the State Department while in Washington, in which connection Americans in China feel that the Government will benefit materially from his advice.

***

Latest developments in the United States from the standpoint of foreign policy was a *Havas* report (April 23) stating that Senator Gerald P. Nye, previously an ardent supporter of the Neutrality Law, was planning shortly to introduce a resolution revising the Neutrality Law to the end that it would become inapplicable in the case of civil war. Senator Nye's object, according to the *Havas* correspondent in Washington was to lift the embargo on American arms and munitions destined for Spain. Senator Wm. H. King of Utah, sometime ago introduced a resolution to abolish the entire law, but he received little support. Now Senator Nye claims that several senators have agreed to support him. But Senator La Follette Wisconsin things the best way to preserve peace in the Far East would be to declare the China struggle a real war and enforce the Neutrality Law. He also advocated the withdrawal of American troops and American investments from China. He said that all of the dollars in China would not be worth the life of one American and that American participation in a war in China would exceed the profits from foreign trade in China of 247 years.

MISSIONS TO MAKE FULL CLAIMS FOR DAMAGED PROPERTIES

THERE was special interest in the *United Press* message from Nashville, Tennesee telling of the decision of the Board of Missions of the Methodist Episcopal Church to press claims against Japan for damages sustained by church properties. The amount of damage was not disclosed, but it was stated that 24 churches and buildings were in ashes and 98 percent of the remainder were damaged irreparably and also looted.

The Methodist Board also adopted a resolution, to be sent to the Secretary of State, Cordell Hull, charging Japan with the violation of neutrality agreements and demanding Japanese forces vacate church property and pay for the destruction resulting from the "ruthless invasion."

The Rev. Fr. R. Jacquinot de Besange, member of the faculty of Aurora University, well known Catholic educational institution in the French Concession, Shanghai. Fr. Jacquinot was the creator of the "Safety Zone" in Nantao which developed into one of the chief refugee projects in the city. Fr. Jacquinot is planning to depart for the United States shortly.

According to the report of Bishop Arthur J. Moore, who made a personal inspection of the Mission's properties, following the Japanese invasion, the only property which was not damaged and is still functioning is the Moore Memorial Church, located in the International Settlement "south of Soochow creek."

Heretofore the foreign missions have usually taken a liberal view with respect to damaged property resulting from civil wars or revolutionary developments. Even in 1927 when considerable destruction seemed to be deliberate on the part of communized soldiers, many of the missions made no claims for damaged properties, preferring to make up their own losses. That they have been repaid for their altruism in the resulting esteem of the Chinese communities where stations of the missions were located, is obvious and requires no amplification on our part. Even the animosities against foreign missions as "agents of foreign imperialists," has almost disappeared, even to the extent that Madame Chiang Kai-shek recently announced that the ban against the compulsory teaching of religious subjects in mission schools has been lifted. Madame Chiang's announcement was made at the monthly meeting of the Wuhan Missionary Society on April 6. She said that the decision to amend the law forbidding the compulsory teaching of religion in Christian schools, "was the greatest testimony in the history of China of our appreciation of the value of the real, vital contribution that Christianity has made to the spiritual well being and the livelihood of our people."

Mention is made of Madame Chiang's statement in connection with the question of mission losses in the war, because the missions have been responsible in most of the war areas for the care of refugees and had it not been for their work millions of unfortunate Chinese would have died of starvation and exposure.

The efforts of the missionaries—Protestants and Catholics alike—in helping Chinese unfortunates, often at extreme personal danger is something which the Chinese people will always remember. The idea of establishing the so-called "safety zones" in Chinese cities within the war zones, which originated with the French Father Jacquinot at Shanghai, has been imitated with considerable success at Nanking, Hangchow and elsewhere and has resulted in the alleviation of much suffering and loss of life.

So far as we are aware no attempt has been made to tabulate the total of mission losses, aside from the reports published in a supplement issued by *The Review* on March 19. At that time the losses of the Catholic missions in the Shanghai-Nanking-Hangchow district exceeded $4,000,000. Some of the outstanding items among other missions was the Women's Christian Medical College, Shanghai, which suffered a loss of $150,000 due to systematic looting and breakage by Japanese soldiers; American Church Mission, U. S. $45,000; London Missionary Society, U. S. 132,000; American Baptist Foreign Mission Society, $60,000 (Chinese currency). Other missions such as the Southern Methodists, Y. M. and Y. W. C. A's, American and British Bible Societies, China Inland Mission, Seventh Day Adventists, Women's Foreign Missionary Society, Church Missionary Society, United Church of Canada and various European missionary organizations including Scandinavian and German societies, also suffered heavy losses.

In only one instance has the Japanese Army, voluntarily paid for damages to mission property. According to a report from Canton (*China Press*) the Japanese Government paid the Seventh Day Adventists the sum of $2,365 (Hongkong currency), for damage to the mission's hospital at Waichow caused by Japanese planes while bombing that city. These was another report, unconfirmed, of a Japanese commander in Shantung who paid a mission organization for damages to a church, but no details were given.

Hankow Ridicules Japanese Peace Propaganda—Tokyo Urges Destruction of Foreign Influence

THE Japanese apparently have changed their tactics concerning a possible revival of peace negotiations and claim that China is the party seeking mediation. Previously the Japanese, while putting out peace-feelers in all directions, always denied emphatically that they had requested any third Power to sound out China on the subject.

Latest rumor emanating from Japanese sources was that a conference between the Chinese Government representatives and Ambassadors of Britain, France and the United States would shortly be held at Hankow on the question of establishing peace between China and Japan. The report was officially denied in Hankow, the spokesman pointing out that such a conference was an impossibility, as the British Ambassador had already departed while the French envoy had not yet arrived.

Japanese allegations that there was an increasing Chinese willingness to enter negotiations were also ridiculed at Hankow where it was declared that such rumors were absurd in view of the latest successes scored by the Chinese army. The spokesman stressed that the position of the Government had been further consolidated by progress recently achieved in various fields and that the Chinese people remained unwavering in their determination to continue the struggle against Japan.

In face of this categorical denial of any intention to renew peace talks, the Hongkong correspondent of the Tokyo *Nichi Nichi* reported (April 23) that the Hankow Government had "inspired" the following five-point peace program as published in the *Tung Fang Jih Pao* (Eastern Daily) in Hongkong:

1. Conclusion of a reciprocal tariff agreement between China and Japan.
2. Adoption of a single currency standard between the two countries.
3. Recognition of freedom of trade and residence for nationals of both countries.
4. Engagement of Japanese experts by various departments of the Chinese Government, industrial and commercial circles for importing Japanese culture, science and technical skill.
5. Encouragement of intermarriage between Chinese and Japanese nationals for "liquidating discriminatory ideas prevailing between them."

Meanwhile, Michio Yuzawa, so-called Administrative advisor to the Peiping "Provisional Government" and formerly Japan's Vice-Minister of Home Affairs, formulated his own three-point policy for the Peiping regime, which, he hopes, would prove satisfactory to Japan:

1. Pro-Japanese and Anti-Comintern administration.
2. Sino-Japanese-Manchukuo economic co-operation.
3. Drastic suppression of anti-Japanese regimes and militarist cliques.

In addition, Yuzawa urged disarmament of China "as provided in the Nine-Power Pact." But, he added, this would be difficult to achieve unless it was to be pushed constantly by "Japanese moral influence."

Returning to his office (April 21) after a 19-day illness, Prince Konoye, Japan's premier, predicted that major developments in China would occur "in the near future." Referring to Japan's China policy, he said: "Japan will recognize a new regime in China when the new administrations in Peking and Nanking are amalgamated." He did not, however ,announce the probable date of re-opening traffic on the Tientsin-Pukow railway.

Commenting on Japan's China policy, the *Chugai Shogyo*, influential commercial daily in Tokyo, urged that Japan's new political program must make her continental policy the crux of her poliites, diplomacy, national defence, economics and finance. In face of developments in China and complications in the international situation, the paper declared, Japan had no alternative but to adopt a positive policy towards China and destroy foreign influence supporting this country.

The idea of a continental national policy also appealed to the Minseito party. At a meeting of party managers recently they decided to adopt a continental policy and create a special committee for its execution.

To tighten their control over the puppet Peiping "Provisional Government," *Domei* reported (April 20) that Tokyo authorities had concluded a secret political agreement with the new regime, providing for appointment of Japanese advisors to its administrative, judicial and military departments.

Tokyo *Asahi* reported that Nanking and Peiping regimes would shortly hold another conference to discuss concrete measures for amalgamation including the Salt tax, Customs revenue and other important issues mostly concerned with money.

A report carried by the Tokyo *Nichi-Nichi* (April 19), declared that the Peiping "Provisional Government" shortly would denounce the Nine-Power Treaty and sever relations with the League of Nations.

Peiping announced (April 22) the following appointments for Honan province:

Hsiao Jui-chen, Governor;
Kuo Tien-chu, Director of Administrative Department;
Yu Chi-chang, Director of Finance Department;
Lin Yu-wen, Director of Construction Department;

Wang Yu-chiao, Director of Educational Department;
Wang Hsi-liang, Director of Police.

Rewarding two battalions of the newly created puppet Police Defence Force in Hopei for successful operations against "Communists," Wang Keh-min, head of the Peiping regime, gave $2,000 to each unit. The "Communists" may have been guerilla warriors who were responsible for the recent attempt on Wang's life. Some 20 Chinese policemen arrived at Tokyo from Peiping April 20 where they will be given special training for a period of six months.

The "Reformed Government" in Nanking has been facing serious financial difficulties since its establishment on March 28. It was claimed that each ministry only receives from the Japanese the sum of $40,000 a month, far from being sufficient to finance their work. Nanking has therefore extended its control over the "Consolidated Tax Bureau of Kiangsu, Chekiang and Anhwei provinces" and laso the "Salt Revenue Administration." But only small amounts are being collected by the Bureau and nothing can be realized from the salt administration.

After many weeks of bargaining, agreement is reported to have been reached between officials of the puppet Nanking regime and Soo Hsi-Wen, the "Ta Tao Mayor of Pootung." According to *Domei*, the Pootung regime has been reorganized and Soo appointed (April 25) "Mayor" of Greater Shanghai. Soo's official title now reads: "Chief of the Shanghai Special Municipal Administration of the Reformed Government of the Republic of China." With the abolition of the "Ta Tao" Regime, its yellow flag will be replaced by the old Five-Barred Flag of Nanking.

Chief bone of contention between Nanking and Soo Hsi-wen has been over the division of spoils. Soo, controlling rich and revenue-producing Shanghai, has had the upper hand over his supposed superiors who have been compelled to subsist on Japanese subsidies. Nanking made repeated attempts to take control of Shanghai from Soo, but Soo stubbornly resisted. The deadlock persisted for many weeks.

Nanking laid down three demands:

1. That the "Ta Tao Government" abolish its own flag and use the Five-Barred Flag.
2. That the "Ta Tao Government" be reorganised into the "Shanghai Governor's Office" under the direct control of the "Reformed Government."
3. That the revenues in Shanghai be collected by the "Reformed Government" which will be responsible for appropriations for the Shanghai administration.

Accepting the demands in prinicple, Soo, in his reply, said that the flag used by the "Ta Tao Government" was decided upon at an imperial conference in Tokyo and therefore he had no power to change it.

HANKOW INAUGURATES WIDESPREAD PUBLICITY CAMPAIGN

Photo by T. T. Fang

Kuo Mo Jo, well known writer and publicist head of the newly created publicity division of the political department of the Military Commission (center at the top) is shown delivering an address at the opening of publicity week in Hankow. *Upper Left*—Hankow takes up patriotic "mass-singing" of newly written songs, the one shown in the picture being, "Defend the Fatherland; *Upper Right*—Poster showing a Chinese youth coming to the rescue of a fellow countryman who was being murdered by a Japanese; *Lower Left*—Member of Youth Salvation League addressing crowd at the Huang-Loh-Hai, Wuchang; *Lower Right*—Propaganda group addressing Hankow crowd from a motor-truck.

Secondly, he said that officials of "Ta Tao Government" were appointed by Japanese Ministry of Home Affairs and it was not necessary to be re-appointed by Nanking. Regarding the third demand, Soo declared that revenues in Shanghai should be collected by the local government so as to comply with Nanking's program of introducing autonomy everywhere.

Soo's refusal to come to terms with Nanking was allegedly responsible for the attempt on his life, on April 15. It was thought at first that the would be assassins were Chinese patriots, who wanted to get rid of a traitor. Now it is thought that the "Reformed Government" in Nanking and some of Soo's own followers were responsible. In consequence, Soo immediately had the Japanese gendarmes arrest Chu Yu-tseng, Commissioner of Police, and Ho Chia-yu, Commissioner of Finance and dismissed both. Also he offered a reward of $500 to $1,000 for the arrest of the would-be assassins. As a precaution against further attacks, Soo ordered the demolition of all matshed houses around the "Ta Tao Government" building.

The Central Fish Market, formerly under the supervision of the City Government of Greater Shanghai Municipality, will shortly be taken over by the "Ta Tao Government."

It was reported that Nanking ordered the Chinese Post Office and the Customs buildings to fly the Five-Barred Flag on May 1, when they are scheduled to be officially taken over.

Nanking's intention to seize control of and reorganize the Chinese Chamber of Commerce was announced (April 26) by Wang Tzi-hui, Industry Minister. He said that the reorganization would be completed "within a week or two." Shanghai Civic Association will simultaneously be disbanded and its officials will become members of the Chamber, Wang revealed.

Another puppet Kiangsu Provincial Government will be organized in Soochow in the near future with Chen Tseh-min, now Nanking's "Education Minister," as Governor. Jen Yuan-tao, so-called acting "Minister of Pacification," is reported to have been appointed concurrently "Governor" of Nanking.

Two formerly well known Anfu politicians, Li Shih-hao and Wu Kwang-hsin, who at one time were reported to be actively promoting the puppet Nanking regime, unexpectedly turned up in Hankow last week. Li was formerly Finance Minister under Marshal Tuan Chi-jui and Chairman of the Economic Commission of the Hopei-Chahar Political Council. Gen. Wu, a relative of Marshal Tuan, was formerly War Minister in Peking Government. In appreciation of their loaylty, Gen. Chiang Kai-shek invited Li and Wu to a dinner. Li said that before establishment of the Nanking puppet regime, he had repeatedly advised Liang Hung-cheh, head of the regime, not to join. Gen. Wu said that the late Marshal Tuan had observed the principles of honor and righteousness.

Gen. Chiang Kai-shek issued (April 23) a circular order to the Chinese rank and file to deliver a decisive blow to the Japanese Army. Gen. Chiang declared that the Japanese are coming to the end of their resources, and are using tired and exhausted troops for a desperate drive in Shantung, where they have already met repeated failures.

Gen. Chiang was the host at a dinner given in honor of the Soviet Ambassador, M. Luganets-Orelsky at Hankow April 23. The British Ambassador, Sir Archibald Clark Kerr, was similarly honored the following day.

The newspaper *Ta Kung Pao* at Hankow urged that every effort must be exerted by the Chinese Government, Army and public alike to win the forthcoming battle in southern Shantung, which will surpass, in scale of importance, the previous Shanghai and Shansi battles. The paper appealed to enitre nation to give every assistance possible to the Chinese soldiers.

A report in Hankow that T. V. Soong, Chairman of the Board of Directors of the Bank of China, would shortly be appointed Minister of Finance caused quotations of Chinese Government bonds in Shanghai to increase by 60 to 70 cents.

Chinese at Hankow were considerably heartened by the loyalty demonstrated by the Mongols, Tibetans and Mohammedans. A committee composed of representatives of the three groups recently left Hankow on a mission of comforting Chinese fighters on the various fronts. The group is known as "Joint Enemy-Resisting Troops Comforting Corps of Mongolis Tibetans and Mohammedans."

Gen. Hsieh Ching-yuan, leader of the "doomed" Battalion, now interned in Shanghai, demanded that he and his men should be given their freedom by the International Settlement authorities. Gen. Hsieh pointed out that they could not be treated as war prisoners in International Law. He emphasized that their status was different from soldiers who flee into a neutral area for safety and that their withdrawal into the Settlement was not due to exhaustion of ammunitions, but for the sake of security of the Settlement. Therefore, the Settlement authorities should restore their freedom. Furthermore, he added, there would be no ground for the opposition of the Japanese to their release, in view of the absence of a declaration of war between China and Japan.

In spite of the occupation of Nanking by the Japanese, the 11th anniversary of the establishment of the National Government at Nanking in 1927 was commemorated at a memorial service at Chungking April 19. Chairman Lin, pointed out that in order to avoid pressure by the Japanese for the conclusion of a dishonorable peace, the National Government has been temporarily removed from Nanking to Chungking. This, he said, only shows that the Government is determined to carry on the campaign.

Gen. Liu Wen-hui, Defence Commissioner of the Szechuan-Hsikang Border, who arrived at Hankow from Chengtu April 23 made a detailed report to Gen. Chiang.

Gen. Fu Chang, new Chief-of-Staff of the Chungking Provisional Headquarters of the Generalissimo, was sworn in office April 21. He succeeds Gen. Hu Kuo-kwang, now Vice-Director of the Headquarters.

Tai Chi-tao, President of the Examination Yuan left Chengtu (April 19) for Tatsienlu in Hsikang, to preside over a memorial service for the late Panchen Lama, "Living Buddha" of Tibet, who died last year.

Gen. Chang Chun, Vice-President of the Executive Yuan, arrived at Canton (April 22) from Hankow where he conferred with Gens. Wu Teh-cheng and Yu Han-mou on measures to strengthen the defence of Kwangtung.

On the recommendation of the Military Affairs Commission, the Executive Yuan has ordered its subordinate organs to work ten hours daily, including Sundays and holidays, during the period of the war.

Considerable interest was aroused in political circles in Hankow by the announcement of the dismissal of Chang Kuo-tao, formerly President of the Communist Frontier Government at Yenan (Shensi), from the Chinese Communist Party. In announcing the expulsion the *Hsin Hua Jih Pao*, Communist organ at Hankow, charged him with many alleged crimes, including anti-Party struggles, stubborn suspicion of an anti-Japanese United Front; and his advice to start a civil war during the Sian kidnapping episode." Chang denied the charges, saying that he supports the policy of united front against Japan and recognizes the Kuomintang as the central force guiding resistance and Generalissimo Chiang Kai-shek as the leader. It was thought his dismissal might lead to a split in Communist ranks.

Wang Ching-wei, Deputy General Executive of the Kuomintang (Fu-Tsung-Tsai), urged (April 18) that the nation should create more wealth so as to raise the people's standard of living. He also urged that more attentions be given to relief of refugees and families of soldiers at the front.

At a recent meeting of the Executive Yuan at Hankow, Ko Tan, Special Administrative Commissioner and Peace Preservation Commander for the Nantung Area of Kiangsu, was dismissed for dereliction in duty and negligence in defence works. He was ordered to be tried and punished. Nantung was recently occupied by the Japanese without meeting any effective resistance from the Chinese forces there.

The following have been appointed members of the War-Time Relief Commission with Dr. H. H. Kung as Chairman:

Tu Yueh-sheng, President, Chung Wai Bank, Shanghai;
Wang Hsiao-lai, Chairman, Shanghai Chamber of Commerce;
Li Shih-hao, prominent Anfu leader, now in Hankow;
T. K. Tseng, former Vice-Minister of Railways;
Tang I, former senator in Peking;
Lin Kang-hou, Secretary-General, Shanghai Chinese Bankers Association;
Huang Wen-chih, Chairman, Hankow Chamber of Commerce.
Chen Fang-hsien, former Education Commissioner, Honan;
Kwan Chien-fan and Huang Po-tu.

Osaka Seeks Revision of Tariff in North China

The Japan Chamber of Commerce and Industry has decided to press the Japanese Government to obtain a broad revision of the import tariffs of the "Provisional Government of North China" on the ground that the promotion of economic co-operation between Japan, Manchukuo and China should be the fundamental basis of such revision *Reuter* reported this week.

In the opinion of the Chamber:

1.—"The anti-Japanese tariff system in North China adopted by the Kuomintang Government" should be generally revised.

2.—The evil of China depending excessively upon tariff revenue should be corrected, and special attention should be given to the adjustment of Chinese tariff rates.

3.—Export duties and surtaxes in North China should be abolished as soon as possible.

4.—The Customs Gold Unit System in North China should be abolished and replaced by the new "Federal Reserve Bank" currency system.

5.—The Customs tariff regulations and various tariff legislation should be revised and unified.

In connection with Import Tariff rates in North China, the Japan Chamber of Commerce recommends that:

Tariff rates for building materials and daily necessities should be made as low as possible.

Special consideration should be given to the tariff rates imposed on commodities which have suffered due to the abolition of the East-Hopei customs tariff (the so-called "Special trade") and the customs tariff transfer system between Manchoukuo and China.

Serious study should be made of the North China customs tariff rates imposed on major export items from Japan in special relation to competitive imports from other foreign cuntries.

Classifications of descriptions of commodities should be reasonably and clearly defined. At the same time, North China tariff items and tariff rates should be adjusted in order harmoniously to balance specific duties and *ad valorem* duties.

HANKOW CELEBRATES TAIERCHWANG VICTORY

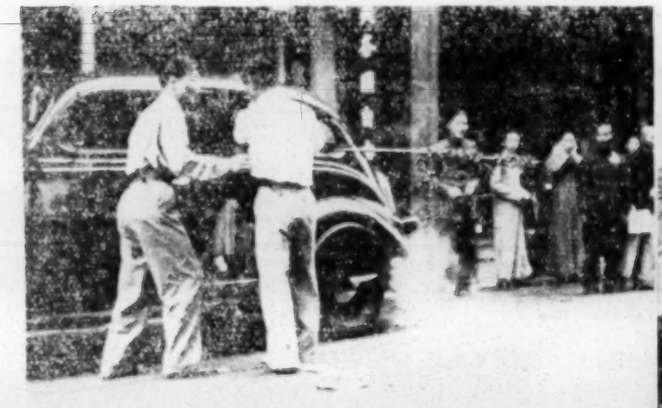


Photo. by T. T. Fang

Population of Wu-Han cities, long harassed by Japanese bombing raids, recovered its good spirits when the report of the Taierchwang victory was received. *Upper Left*—New idea in firecracker barrage—string attached to motor car which sped through city; *Above*—People fighting for copies of "*Ta Kung Pao*" containing first reports of Taierchwang victory; *Lower Right*—Crowds standing in front of "*Ta Kung Pao*" office reading bulletins telling of victories over Japanese troops.

Hankow Gets 24 French War Planes

Twenty-four Dewoitine fighting planes have been delivered to Hankow from Indo-China, according to reports received in Hongkong this week. The craft, reported to be capable of speed in excess of 400 klms. per hour, were said to have been shipped from Hanoi to Yunnan by railway. At the present time, the bulk of the Nationalist air force is made of Soviet-made craft, with a sprinkling of American, British and Italian aircraft.

With regard to revision of tariff rates on goods exported from North China, the Japan Chamber of Commerce urges that the exemption principle should be adopted in the North China tariff, and duties should be collected only from items clearly mentioned in the customs tariff. The items subject to export duties, the Chamber adds, should be simplified, and efforts should be made to promote the exports of those items. Finally, for the purpose of simplifying the Customs procedure in North China, the Chamber urges that the filling-in of customs documents in the Japanese language should be recognized, and the number of Japanese officers in the Chinese Customs Service should be increased.

Girls Cribs Speech; Wins Oratory Contest

A speech cribbed from official newspaper editorials this week won first prize in an oratorical contest sponsored by the *Hsin Min Hui* for a young Chinese girl here. "In order to become Hsin Min youths," she said briefly, "young people must behave politely, act reasonably and obey their superiors obsequiously." The keynote speaker who declaimed on the Wang Tao and Hsin Min spirit and on "oriental culture as an antidote to western culture" admitted to a *United Press* correspondent that he didn't know what the words meant.

ANOTHER VIENNESE REUNION

Chicago Daily News

WHAT WOULD YOU DO?

Low in New York Times

Hitler: "The world still refuses to realize that violence, when used by Germans, is justified and righteous. What can I do? What would YOU do?
The Ex-Kaiser: "I DID!"

(*Left*) This cartoon which roused the ire of Nazis in Shanghai, appeared in the Sunday Magazine Supplement of the *North China Daily News*, April 17. Protests by local followers of Hitler made the *North China's* editor admit he had pulled a *faux pas*. Several days later, the editor noted at the top of an inside page that "This journal had learned that the publication of a cartoon.....has created a painful impression amongst German circles. The Editor regrets the error of his judgment which permitted such a cartoon to appear and desires to express his profound apology to the German community." (Right) The type of cartoon with which Cartoonist David Low ruffles the Nazis. Recently the German government protested formally to the British Foreign Office against the tone of cartoons by Low in the *Evening Standard*. The Foreign Office told Low of German displeasure, but took no action. Germany particularly was incensed by a cartoon in which the characters were labeled "Hit" and "Muss, obviously referring to the two dictators. Herr Adolf Hitler and Signor Benito Mussolini.

Panay Indemnity Is Paid by Japanese

Ringing down the curtain on the Panay incident, the Japanese Government April 22 paid the sum of U.S.$2,214,007.36 to the American Embassy as indemnity for the sinking of the U.S. gunboat in the Yangtze last December. The money was given by Seijiro Yoshizawa, Director of the Bureau of American Affairs of the Foreign Office to Eugene H. Dooman, counsellor of the American Embassy. The sum included $1,945,670.01 for the loss of the vessel, and $268,337.35 as damages for those killed and wounded.

The Tokyo Foreign Office issued the following statement in connection with the payment: "With the exception of the matter of indemnification the Panay affair had been settled by a series of negotiations and exchange of notes between the Japanese and American Governments. As regards the above mentioned matter, American Ambassador Joseph Clark Grew sent to the Japanese Government an official note dated March 21 listing firstly the amount of property loss as $1,945,670.01 and secondly death and personal injury indemnification as $268,337.35, totalling $2,214,-007.36. The Foreign Office, after consultation with other departments concerned, requested the American Embassy to forward an itemized account of the total claims for indemnification, which was sent to us on April 9. Accordingly after the completion of necessary procedures by the Japanese Government, Seijiro Yoshizawa, Director of the Bureau of American Affairs of the Foreign Office, in the name of the Minister of Foreign Affairs, handed a check for the foregoing amount, $2,214,007.36, addressed to American Secretary of State Cordell L. Hull, to Eugene H. Dooman, Counsellor of the American Embassy in Tokyo. Upon conclusion of this payment the Panay affair has been amicably and satisfactorily settled."

Japan Lauds Plan

Plans of American Ambassador Grew to establish an American-Japanese Society with the Panay "sympathy funded were lauded by Tatsuo Kawai, spokesman for the Foreign Office. Japanese contributed Yen 37,000 to a fund for the victims of the U.S.S. Panay, sunk in the Yangtze last winter, and their relatives. Kawai said the Foreign Office will give "positive support" to the projected organization. The plan was hailed as being conducive to the promotion of friendly relations between Japan and America. Grew, Prince Iyesato Tokugawa, Chairman of the American-8 Japanese Association, and another official yet to be appointed will be in charge of organizing the society.

An American's Suggestion

In connection with the Yen 37,000 contribution, a letter appearing in the columns of the *North China Daily News*, signed "An American" suggests "that if Japan really wants to promote friendship between the two nations, the fund could bery appropriately and justly be used partially to indemnify those American business people and missionaries whose homes and businesses and mission plants have been looted, injured or destroyed by Japanese soldiers."

Hasegawa, Three Others, Transferred

Vice-Admiral Kiyoshi Hasegawa, Commander-in-Chief of the Japanese China Sea Fleet, since the outbreak of hostilities in Central China, this week recived an Admiralty order on his transfer to a new responsible post. Three other highest naval officials in Shanghai were likewise ordered to new stations. These were: Rear-Admiral Tadao Honda, former Naval attache to the Japanese Embassy in China; Rear-Admiral Denshichi Ohkochi, Commander of the Special Naval Landing Party here; Rear-Admiral Rokuzo Sugiyama, Chief of Staff of the Japanese China Sea Fleet. All transfers became effective on Monday. Neither the officers' new posts nor their successors have yet been announced.

Negotiations for Tram Service

That British Consular negotiations for the resumption of tram service in the eastern district of Shanghai, north of the Creek, are now proceeding, was revealed April 26 at the annual meeting of the Shanghai Electric Construction Company, Limited. "We are particularly desirous of providing as soon as possible," declared Mr. Martin Little, the chairman, "a service in the eastern district which will cater for the industrial workers proceeding to and from factories, and efforts are now being made with that object in view.

Chinese Executed in Tientsin

Five Chinese, all natives of southern Hopei, were executed in Tientsin last week by a firing squad upon conviction of charges of having disturbed public peace in Tientsin in collusion with the Kuomintang.

Sino-American Airplane Company Organized

Chinese circles state that a new Sino-American Airplane Manufacturing Company has been organized with its plant in Chungking The factory when completed this coming June, will manufacture various kinds of airplanes under the technical supervision of American engineers. The daily production of the plant is three airplanes, according to the present plan. Capitalized at $10,000,000 the plant is reported to be one of the most modern airplane manufacturing plants in the Far East.

Will China Halt Japan's Advance on Hsuchow?

TIME and again this week, Chinese forces stemmed the ever rising tide of the Japanese army, repulsed them only to be moved back slowly by counter offensives until the sound of heavy fire again was heard in Taierchwang where a few short weeks ago Nippon's soldiers went down in inglorious defeat. But this week, a huge number of reinforcements poured in to bulwark the weakening Japanese lines on the Tientsin-Pukow Railway front and, as fresh troops manned the guns, the Nipponese broke through Chinese positions at Yihsien, in the vicinity of Hsiaowang, driving hard with Hsuchow again their goal. To halt the push, Chinese also brought up heavy reinforcements, manning a diagonal line from Lanchentien, through Changsi and Tingchiachiao, to Taierchwang. Here, in this sector, is being fought one of the most critical battles of the war. So long as China holds Hsuchow, the junction of the railways, Japan remains stymied in her southern Shantung drive.

On other fronts, also, Japan found rough trodding. In Shansi and Honan, the Chinese claimed huge successes. With the exception of 2,000 Japanese troops at Fengchiu, opposite Kaifeng, the north bank of the Yellow River in Honan province has been cleared of Japanese following the Chinese occupation of Hsinfeng, Nanlo, Menhsien and Wenhsien, cities in north Honan. In Shansi, Chinese forces, according to Chinese reports, attacked Antseh, east of Hungtung city, on the Tungpu Railway north of Linfeng.

LIKE PICKING UP A HANDFUL OF WATER

Fitzpatrick in St. Louis Post-Dispatch

"wiping out one Japanese detachment and seizing large quantities of ammunition." Severe fighting is in progress in the Wuhsin and Chanhsin sector, on the west shore of Lake Tai, where five Japanese attacks on Chinese positions are claimed to have been repulsed.

Japanese Withdraw Troops

Shansi victories resulted from the withdrawal of Japanese garrison forces in order to bolster the offensive in Shantung. Military representatives of four different nations in Shanghai expressed the belief that the developments of the next few weeks might well decide the immediate trend of hostilities, the general opinion being that the Japanese forces will be concentrated shortly in an effort to shatter the intensely fortified triangle bound by the Grand Canal from Hanchang to Sutanghsi; the Lunghai Railway from Yunno west to Hsuchow, and from Hsuchow north to Hanchang.

Either inability or unwillingness to bring reinforcements from Japan to strengthen the southern Shantung drive has compelled the Japanese Command to withdraw large numbers of garrison forces from the greater part of Shansi, and Chinese mobile units have not been slow in taking advantage of the opportunity afforded them. Almost on the heels of the withdrawing Japanese troops, according to the reports reaching Shanghai, the Chinese units have moved in to occupy former garrison towns. How far the Chinese military reoccupation of Shansi will affect the military situation in southern Shantung it is as yet impossible to say, but certainly it may have a decisive effect on Japanese penetration in the event of prolongation of hostilities in that area. The everpresent threat of a flank attack swinging through Shansi and Hopei into Shantung may endanger the whole of the Japanese positions even after they are well established, it is considered.

No small problem to the Japanese army is the continuance of activity by Chinese guerillas, especially in the Yangtsze area. Last week and this week, bitter fighting along a wide front from Wuhu to Hangchow kept the Japanese occupied. On April 26, *Kuo Min* reported that owing to repeated attacks by Chinese guerillas operating along the Nanking-Wuhu section of the Kiangnan Railway, the Japanese garrison at Szelitsun, southeast of Wuhu, abandoned their post and threw their arms and military supplies into a nearby lake while escaping to Nanking. Keeping up the pursuit, the guerillas advanced to the vicinity of Mulingkwang, strategic pass 18 miles south of Nanking. The Japanese newspaper, *Shanghai Mainichi* said that intense fighting was reported in the vicinity of Ningkuo, some 100 miles south of Nanking along the Nanking-Kweichow Railway, and Wukang.

Yamamoto Unit Attacked

The first series of clashes occurred in the afternoon of April 19, when a Chinese unit about 200 strong attacked the Yomamoto detachment at Tuanshanchen, about five kilometers northwest of Ningkuo. According to the Japanese report, the attack was repulsed, but the unit encountered another Chinese force, 500 strong, two hours later. These were equipped with field guns, and attacked the Japanese detachment 10 kilometers south of Ningkuo. The Takeshita detachment is likewise reported to have fought two clashes on April 19 with Chinese units numbering 1,000 and 3,000 men respectively. The first battle, it is said, was fought in the afternoon at Changkiawan, midway between Ningkuo and Wuhu. It is added, however, that the same night the Japanese force encountered 3,000 guerillas at Hsuitungchen, near Changkiawan. While giving no account of the Japanese losses, the report claims that the Chinese, in retreating, left behind 600 dead and a large amount of arms and ammunition. The report also gives brief accounts of guerilla attacks on April 22 at Wanchichen, and at Chumalung (northwest of Wukang), claiming that in both clashes the Chinese were put to flight. In the latter skirmish, in which the Chinese are said to have left 200 dead behind them, Japanese casualties are given as five dead and 10 wounded.

Meanwhile, severe fighting rages in southern Shantung. The Japanese forces pushing northward are said to be divided into two columns, one moving along the north Kiangsu coast and another along the southern section of the Tientsin-Pukow Railway. This is the way there are lined up:

1. The forces which landed at Nantung, on the north bank of the Yangtse opposite Shanghai, last month, pushed northward along the sea coast and reached Tungtai. They are said to be now moving towards Yenchen.
2. The forces which pushed northward along the Grand Canal and reached Shaopeh. They are at present advancing in the direction of Kaoyu.
3. About 20,000 troops at Pengpu who recently crossed the Hwai River. They are now pushing up the Tientsin-Pukow Railway in the direction of Nansuchow, south of Hsuchowfu.
4. About 700 troops at Hwaiyuan, west of Pengpu.

Banners and Sword Given Chiang Kai-shek

A delegation representing the Chinese Students National Salvation Association (*Chung-Kuo Hsueh-Sheng Chiu-Kuo Lien-Ho-Hui* presented a huge red silk banner to General Chiang Kai-shek, President of the Military Affairs Commission, last week. On the banner are embroidered 18 Chinese characters: *Wo-Men Shih-I Chih-Cheng Yung-Hu Ling-Hsiu Kang-Chan Tao-Ti Fu-Hsing Min-Tsu* (meaning "We solemnly swear that we will support the Leader's campaign of resistance to the bitter end in order to regenerate the Nation"). The employees of the various railway stations along the Canton-Hankow Railway have also presented a beautiful sword with gold handle to General Chiang Kai-shek, as a token of their loyalty and respect.

A huge banner, inscribed with the words "*Ling-Hsiu Tung-Fang*" (Leader of the Orient), was presented to General Chiang earlier in the week by a delegation representing the Mongolian, Tibetan and Mohammedan peoples.

"Gas Tickets" for Japan

Japan's automobile owners will "tighten their belts" on May 1, as the Government begins to enforce rationing of gasoline. Seventy-thousand drivers have already applied to the police authorities for "gas tickets," enadling them to purchase a limited quantity of gasoline at the public pumps. Taxis will be allowed a daily quota of 7½ gallons and trucks will be permitted to use 5 gallons a day. The "gas tickets," without which no gasoline will be sold, are to be distributed beginning April 25. In enforcing the rationing of gasoline, the Government expects to effect a 30 per cent saving in the amount of fuel used in the country.

Overseas Chinese and the Present Crisis

BY KONG YU-LEONG (江友良)

WHAT may be the ailment, either internal or external, the human body is affected as a whole and feels the attack in one way or another. Brilliant doctors and scientists may prove that there are exceptions, but for the layman, such is the belief. Likewise, the present "Sino-Japanese Conflict" is such a bloody symptom that arouses consciousness of an imminent national collapse that is greater in magnitude and nobler in purpose than that which enabled the nation to overthrow the Manchu Dowager Empress. Once again the Chinese masses are coming to the fore to face a foe whom their rulers have failed to check with their cliques and massive wealth, factions and family-ties.

When we recall history, the background in which the late Dr. Sun Yat-sen labored day in and day out during those Pre-Revolutionary *Tung-ming Hui* days, we will begin to realize the important and decisive role played by the patriotic overseas Chinese, those sons of China abroad, who gave not only material support but also their flesh and blood to re-establish the falling temples of their ancestors and re-organize the corrupt systems of their Government. Alas! Their dream has not come true. "Misfortune seldom strikes singly," says a Chinese proverb. The greater part of the struggle has just begun.

In order to understand clearly the important role which has been played by the Overseas Chinese in the past and that which they will play in the future, it is essential to survey briefly the history of Chinese emigration and their present conditions. This is necessary because the hasty conclusion that all Overseas Chinese are alike, having the same mental make-up, national outlook, habits of living and philosophy of life, is misleading to a considerable degree. For the sake of distinction, Overseas Chinese may be divided into two types: "The Native Overseas Chinese" (*i.e.*, those born in China) and "The Foreign Overseas Chinese" (*i.e.*, those born in foreign countries). These same terms when interpreted by an Overseas Chinese from a foreign standpoint may have the opposite meaning. However, for the present purpose, we will define the two types as stated above.

The Chinese Pioneer

Oppressed by political and economic conditions at home and tempted by the tales of fabulous wealth abroad, the early emigrants were bent on adventures, sailed out to the far-wide world in quest of the modern "Golden Fleece." For this, they dared ill-treatment to the extreme, tyrannies of all descriptions, tropical diseases, nnhealthy climate of varying degrees, scorn, insults and curses from hostile natives and, finally, even death itself. Years passed. Some returned alive and successful. Castles wero built; land were bought; marriages poured into the family; babies were born; happy were those who lived to enjoy the fruits of their labor! The tales of such adventure and success would soon be on the lips of the village and pass on as a legend of wealth and prosperity like the tale of "Sinbad the Sailor."

Others died and passed into oblivion. By nature optimistic, the simple Chinese of the villages always looked at the brighter side of the picture. The lure of the castles, land and concubines, owned by their foreign-returned neighbors, were too good to be untrue. There were the monuments of success. These they saw, and blind to all else that lay awaiting beyond the deep, blue seas! Such is history which is always romantic and tragic mingled, illusion and delusion combined! Today the Chinese from the villages principally, still emigrate to foreign countries although with less zeal and enthusiasm and fanciful an imagination as those entertained by their predecessors. In foreign lands, they will have less competition for labor, bigger volume of demand, wider market for supply and wider still, fields for agricultural and mineral exploits. On the top of all these, there is a better preservation of law and order which is the first and foremost pre-requisite for success and prosperity.

What may be their dreams of gold and silver and the joys and pleasures of life derived therefrom, the Overseas Chinese long for one expectation to come true, that is, some day they will return to their homeland, back to the old homestead where they will breathe air that is fragrant inspite of the piles of decayed matters around; hear the familiar quacking of ducklings; laughter of the children and the shrills and yells of the womenfolk; enjoy festivals and ceremonies in their traditional color, pomp and splendor; and at last when the heart pumps no more. sleep and rest forever beside their ancestors. If man were a product of environments, subjected to the whirls and whims of Fate and Destiny, then it was only natural that those who were battered by adverse fortune, lived and died in foreign lands. These unfortunate emigrants who failed to come home were those who planted the seeds of a new generation, namely, "The Foreign Overseas Chinese." However, it must not be assumed that all "Foreign Overseas Chinese" are the descendents of those unfortunate adventurers. In many cases, flourishing, business interests have kept them from leaving or have been handed over to their children who prosper on and on. The trunk of the family-tree remains at home while the roots reach out to fertile land to suck nourishment. In other instances, while the early generations failed, the later generations succeeded. The family-tree at home had long withered, while a new tree bloomed in a foreign land. Indeed, truth is stranger than fiction.

As the new generations march on with the passage of time, they learn to adapt themselves to their surroundings. They are at peace with their neighbor and benefactor. Besides studying their own language and culture, they also learn the secrets of Western technology and the fundamentals of Western science and culture. For many, especially those in the United States, Australia and other European countries, they even forget their own mother tongue. The conditions in Malaya, Borneo, Netherland Indies and the South Sea Islands are different however. To account for this difference of tendencies it will be necessary to take into consideration such factors as Western technology, science and culture, as well as restrictions, racial, political and economic distinctions and complications.

Western Culture!

It will be seen therefore, that although The Overseas Chinese are unique in their physical character and appearance, they are the products of many different social environments and national backgrounds. "The Foreign Overseas Chinese" of the United States and Australia are therefore necessarily more handy with knife and fork, kissing and chewing-gum, while those of the South Seas indulge in the native craving for curry and "balachan" (which is fermentation of shrimps), otherwise they are perfect Chinese. The basic difference is that "Foreign Overseas Chinese" in the states, Australia and other European countries invariably attend foreign schools and colleges and thus become highly charged with the current of Western culture and conduct themselves automatically with Western manners and etiquette; love conventional top-hat and swallow-tailed coats, butter and cheese; mindful of Unlucky 13 and April Fool; enjoy all these as ducks take to water; while those of Malaya, Java, Borneo and the South Sea Islands where Chinese populace and influence dominate and Chinese schools scatter all over the place, with the exceptions of government institutions and Mission Schools where English or foreign languages only are taugnt, have Chinese included in their school curriculums. The popular opinion among parents is that their children should be well versed in both their mother language plus a foreign one, usually English. This conclusion is supported by the belief that the works of the sages and ancient scholars will cultivate and enrich the moral and spiritual character of their children and enable them to walk the path of life after the true oriental fashion. The study of English or any other foreign language on the other hand will serve to equip them to fight this life's economic, political, mechanical and other foreign-manufactured battles. The soundness of this belief is disputable. However, it is not infrequent that a "Foreign Overseas Chinese" who is without a Chinese education or culture. appear eccentric, quick-tempered, childish and has little respect for rulers, age and elders. Their constant association with foreigners has contaminated their minds with more of their vices than anything else evidently.

The poorer classes who have taken up farming and planting when they first arrived have either become rich or remained merely living. They are the die-hards who care for little changes from one generation to the other except where the local governments make preliminary education free and compulsory. Once prosperous, they are quick to quit and sail home to China and be hailed as "Sinbad the Sailor." To the place of their past struggle and adventures, they may occasional visits. Their children may be still there to prosper on or to dwindle and fall.

"The Native Overseas Chinese" are really a group of Chinamen abroad. They are inseparably bound to their respective family-trees at home and almost know their genealogy by heart. Their parents may be still living. They may even have wives and where they go to the ends of their days.

All Are Patriotic

From the differences existing between "The Native Overseas Chinese" and "The Foreign Overseas Chinese" and also those among "The Foreign Overseas Chinese" themselves, it will be seen that their reactions to the present crisis can be very varied, although their motives are one and all patriotic. For "The Native Overseas Chinese," the starting point of the present resistance is a determination to preserve their homes, villages, and province, their national independence, political and racial homogeneity. On the other hand, for the young "Foreign Overseas Chinese" who have been born and bred amdist Western power and glory, imbided with the spirit of Western conception of civilization of skyscrapers, battle-ships and airplanes and having realized and experienced the benefit and abuse through the exercise of such power, the present resistance is their "crusade against injustice, inequality and inhumanity. They fight not so much for their

immediate preservation but for the ideals of Young China whose zeal and enthusiasm, firmness and sincerity of spirit and belief are yet unspoiled and incorrupted by the selfishness, avarice and roguery of the older generations.

Daily the Overseas Chinese are pouring back into China taking active part in front-line service and ambulance work in the rear, inspite of the fact that China has unlimited human resources. It must be remembered at this juncture that the present resistance and the ultimate victory does not rest on human resources alone. We need technical men for the front as well as for the rear. We need to keep our guns of resistance firing on and on to the very last and, at the same time, we need to relieve the war-victims and refugees as best we can. The Overseas Chinese have had great hopes. They have struggled and fought hard for a strong and unified China. The nation is now truly united. This is our greatest consolation in this hour of crisis. Legend says, The Great Genghis Khan distributed arrows to his sons and analogized the significance and truism of "Union is strength." The time has come for the Overseas Chinese one and all to show their loyalty to their ancestors and their country; and for the Government to keep close watch for any repetition of contributions going astray and getting trapped in unscrupulous pockets. Let the suffering and hungry refugees be relieved with the sweat and blood of their brethren abroad and the shells from the Overseas drive the invaders back to the land from whence they came!

Japan Clears Up Mystery of "Mystery Ships"

The "Philippine flotilla" mystery was believed to have been solved in Tokyo last week by the statement of the captain of a Japanese whaling vessel just returned from the Antarctic. A flotilla of more than 20 vessels, allegedly destroyers, was reported in press messages about a week ago as having been seen off Davao Bay and Mindanao Island. Capt. Kantoro Okamoto, skipper of the whaling depot ship Daiichi Nisshin Maru, expressed the belief that 17 whale catchers belonging to his depot ship had been mistaken for a flotilla of destroyers near the Philippines.

Capt. Okamoto said his depot ship, belonging to a whaling fleet operated by the Oceanic Whaling Company, at 10 o'clock on April 10 attempted to refuel 17 whale catchers at a point about 10 miles off Sarangani Island. The refueling was prevented, he said, by a high gale and heavy seas. The ship then proceeded to a point about 10 miles off Cape San Augustine and without dropping anchor started refueling operations which continued throughout the night and were compelted about 8 o'clock the following morning. This apparently gave rise to the reports that a "mysterious destroyer fleet" had been cruising in Philippine waters, the Japanese skipper said.

Italian Mission Sends Love to Japanese

Messages of appreciation for the welcome accorded by the Japanese people to the Fascist goodwill mission were received in Tokyo April 23 by Government leaders from Marquis Giacomo Paulucci, head of the group. The messages emphasized the steadily growing amity between "Imperial Japan and Mussolini's Italy." The mission is now in Korea, on its way to Manchukuo. Marquis Paulucci's message go Premier Prince Ayamaro Konoye read: "We shall bring back to Italy a feeling of profound admiration for the great Japanese nation,—our friend,—and an everlasting remembrance of the affectionate sympathy which binds together Fascist Italy with the Government and people of the Japanese Empire.

300 Tanks On Way to Fronts

It is learned from foreign sources that 300 tanks will be transported from Yunnan to the front via Kweichow. The bridge spanning the Huai River on the Anshun-Penghsien section of the Yunnan-Kweichow Highway, which recently collapsed, is now under repair in order to faciliate the transportation of the tanks.

War Booty Transported to Hankow

A large quantity of war materials seized from the Japanese forces during the recent battles in the Northern Section of the Tientsin-Pukow Railway in southern Shantung passed through in a special train (consisting of five coaches) last week from Hsuchow en route to Hankow. The war booty included a Japanese war tank, airplane, and numerous rifles, machine guns, and munitions.

Curfew Hour Is Extended

Curfew in the area west of the International Settlement now under Japanese military occupation aws shortened by one hour, a Japanese Embassy spokesman announced last week. Traffic within the area as well as between the area and points east of the railway will be permitted up to 7 o'clock at night, instead of until 6 o'clock as hitherto.

Missionaries Hear Addresses by Mme. Chiang and Bishop

More than 150 foreign representatives of various churches, missionary schools and hospitals in the Wuhan cities, attending the Wuhan monthly missionary prayer meeting in Hankow, April 6, heard two stirring speeches by two important figures in China—Madame Chiang Kai-shek, who announced the decision to amend the law forbidding religion to be a compulsory subject in China's Christian schools, and Bishop Logan H. Roots, who had headed the Hupeh-Hunan Diocese of the American Episcopal Church for the past 33 years. Bishop Roots' address was in the form of a valedictory, a reflection on 42 years' residence in China. He came here in 1896, shortly after his graduation from Cambridge with the degree of Bachelor of Divinity. In 1925, Harvard conferred upon him the degree of Doctor of Divinity. With his Hankow address, the bishop retired, leaving that city on April 19 for America. Bishop Roots will be succeeded by Bishop A. M. Gilman, recently arrived from the United States.

The bishop, in welcoming Madame Chiang Kai-shek, expressed his great appreciation for the leadership of General Chiang Kai-shek and herself and of what their lives meant to the entire Chinese nation. He made an appeal for a spiritual revolution among the Christians in China, declaring his belief that the future of China was strongly bound up with the quality of the spiritual life of the people.

"The United Front," he said, "which shall enlist all constructive forces in the defense and upbuilding of the nation, is obviously essential now. It is not less essential in planning for the future of China, and it is essential also to the rest of the world. China is working this out in ways which may be a blessing to every country, East or West . . . It is my firm conviction that those who work for a better social order under the acknowledged leadership of Christ have much to learn from the social passion of those who work to the same ends without any such acknowledgment; and that we who find inspiration in Christ have an equally essential contribution to make to the life and work of those who have not hitherto been conscious of His relevance to their objectives. It is not in this mutual enrichment that there may be wrought out in our day the purpose which Christ professed when he said, "I have come not to destroy but to fulfill.'"

Madame Chiang, in announcing the decision regarding religious education, described it as "the greatest testimony in the history of China of our appreciation of the value of the real vital contributions that Christianity has made to the spiritual well-being and the livelihood of our people." Madame Chiang added, in part:

"The generalissimo wishes me to tell you that he deeply appreciates the fine work which you have been doing to help our people. Please take this as a personal tribute to your courage and self-sacrificing spirit, to your valor and determination, to help our people, regardless of the dangers to your own persons and lives. On this point I may say that we both feel deeply that words are inadequate to express our thanks to the whole missionary body in China, who have stood so loyally to their ground in spite of Japanese threats and abuse, and to those foreigners who have shown their sympathy with us in practical ways, and who have been, and are, articulate eye-witnesses to the scandalous behavior of Japanese troops on Chinese soil. The fact that you not only risked your lives in succouring the wounded, but also helped the destitute, and saved many of our women and girls from a fate worse than death, and gave hope and support to all the refugees, has moved the whole Chinese nation to a sense of appreciation of the true Christian spirit which annimated you in your actions."

Japanese Reports Say Schmidt Raps Chinese Government

A bitter attack on the Nationalist Government for its alleged failure to live up to its promises to foreign fliers was made by Vincent Schmidt, Commander of the now defunct "Foreign Legion" of the Chinese air force, in Singapore last week, *Domei* reported. The American ace passed through Singapore on his way to Europe and the United States.

On his arrival in Hankow, the American flier was appointed commander of foreign pilots drawn from every corner of the world. These pilots, Schmidt said, were promised by the Nationalist Government $1,000 for each Japanese plane brought down by them. "Under one pretext or another," Schmidt was quoted as saying, "the Hankow Government refused to pay the prize." Disgusted with the death in combat of many of their comrades, with "the hysterical orders of Mme. Chiang Kai-shek," and the non-payment of salaries, the foreign fliers were said to have gone of a go-slow strike. The Nationalist Government then discharged all foreign aviators, with the exception of Soviet fliers, on March 21.

Asked regarding the actual strength of the Chinese air force, Schmidt reportedly replied that it comprises less than 300 machines, of which 100 are new planes and the rest are "not airworthy." The best planes of the Chinese air force, he was quoted as saying, were destroyed by Japanese air raiders before December of last year. Many planes imported from Soviet Russia were said to have been destroyed at assembly plants in Hankow and other towns.

Has the Time Come for a Russo-Japanese War?

BY PETER SOUTH

A Russo-Japanese war!

For the last seven years the world has awaited the final spark to set the cannons roaring on the bleak plains of Siberia. Time and again dangerous events cropped up, only to be smoothed out, their shocks absorbed by the niceties of diplomacy. Each time, the world held its breath, then learned that the time had not yet arrived for the clash of arms between the Soviets and the Japanese.

But has the time finally arrived for the second Russo-Japanese conflict?

Thumbing through the pages of an old scrap book, we chanced across an article written for the *Seattle Star* in October, 1935. We were interested, because certain facts that we had written then, we found to be true today. If we may be permitted to stoop to the indignity of quoting ourselves, we found we had written as follows:

"Russian-Japanese hostilities have been a dangerous potentiality ever since Japan set up its puppet state of Manchukuo. Mainly, this was the reason why Japan acquired this huge hunk of Chinese territory—a state to be used as a buffer against the growing possibility of a clash between Soviet Russia and China's Red armies. There is little doubt in the minds of competent observers that actual conflict between Japan and the Soviets is not far in the offing.

"Actually, the war now is in progress—a war deep below the surface . . . a rumble . . . a surge of waves—rolling both eastward and westward. And nothing can check this eastward and westward movement. On one side there are 170,000,000 land-hungry Slavs increasing at the rate of 3,000,000 a year. On the other, 450,000,000 Chinese with a mania for procreation. Add to this, 90,000,000 Japanese cooped up on a chain of small islands, increasing at the rate of 1,300,000 a year, and it is found that the present rate of increase, within 20 years Asia must find room for 200,000,000 more people. These tremendous natural and human forces cannot be controlled. The Russian waves will continue to roll eastward until it meets the westward moving Japanese flood seeking a outlet on the plains of Central Asia and there will be fought the battle that will determine the future of the two races. . . . A silent war is on today . . . to the Russian mind, China is to be Russian, India is to be Russian, Persia is to be Russian. And the Japanese say, "Asia for the Asiatics.'"

New Incidents for Old

Those things we held to be true then. Perhaps time has altered them somewhat—the Amur river clashes do not occur with the same frequency, but new provocative incidents have risen to take their place. From the Tokyo mill, daily grinds fresh outbursts of propaganda against the Soviets. The Japanese press viciously denounces the "oppression of Japanese employed on Japan's oil and coal concessions in North Saghalien and the rough methods used by the Soviet authorities to compel the closure of Japanese consulates in Habarovsk, Blagovestchensk and Ohta." The refusal of Russia to conclude a new North Pacific fisheries agreement is also a very sore point. To further irritate the situation, Japanese planes fly into Soviet territory. Some are detained by the Soviets. Others make good their reconnoitering and return to their Manchukuo bases. But each incident stacks new kindling to the smouldering fire, not yet burst into flame.

The Soviet press is not silent, either. They hit back with, "The Sino-Japanese war has revealed the whole rottenness of the military and economic structure of Japan. They have proven their inability to carry on a major war." The Japanese press counters with, "If Soviet Russia cares to aggravate the situation, we shall not fail to respond . . . . furthermore, there can be no doubt that Soviet military aid to China has been carried out by the direct orders and guidance of the Soviet government . . . ." So goes the campaign of hate between Russia and Japan, both fighting for supremacy in northern Asia—Japan still gloating over the trouncing it handed Russia in the early part of this century; Russia, perhaps, still smarting under the defeat suffered by the Czarist troops and navy.

What will be the outcome? Observers in Tokyo say that most people think that Japan is sufficiently entangled in China to prevent her even thinking of hostilities with another power. But it must be remembered, they add, that while Japan, since last July, has been fighting China with her left hand—to the extent of over 600,000 men—she has been keeping her right, namely, 350,000 picked troops, ready to meet any threat in North Manchuria.

It is generally agreed in Japan that recent purges have seriously weakened the Red forces, and it is not impossible that the Japanese General Staff, in its anxiety to recover its prestige, may be considering war against Soviet Russia. That such a policy has fairly powerful backing is made evident by recent reports in the Japanese press that a big national movement advocating the chastiseemnt of Soviet Russia is brewing among Japanese Rightist elements. Among those said to be prominently associated with this movement in embryo are General Senjuro Hayashi, the former Premier, and Vice-Admiral Kobayashi (retired). Three members of the House of Peers are also mentioned among its backers.

Soviet Attitude Intolerable

The succession of alleged "outrages" committed by Soviet Russia against Japan has caused so much resentment in many Japanese quarters that the more hotblooded have conceived the idea of starting the movement in question, states the *Osaka Jiji*.

Soviet Russia's attitude towards Japan, the journal declares, is absolutely intolerable. Besides giving armed aid to China in the present Sino-Japanese conflict, and has brought all sorts of pressure to bear on the Japanese Embassy and Consulates, even to the extent of menacing the livelihood of Japanese officials. She has also made frequent attempts, the newspaper alleges, to deprive Japan and her nationals of their legitimate rights and interests in North Sakhalin and elsewhere and has made no scruples about arresting and imprisoning innocent Japanese engaged in legitimate and peaceful enterprises."

Orr in the Chicago Tribune

The frequent occurrence of incidents in which the Soviet authorities acted in an "intolerable" manner, viewed from the point of view of humaneness and international justice, has engendered among the Japanese people a strong feeling against Soviet Russia. The alleged open advocacy by General Bluecher, Commander-in-Chief of the Soviet Far Eastern Army, of war with Japan has confirmed the impression that the series of "outrages" perpetrated by the Soviet have been according to plan. Altogether, Soviet Russia has been deliberately working with the set purpose of precipitating a final clash with Japan, the *Jiji* bitterly remarks.

Mongolian Army Powerful

But, while Japan may discount the prowess of Genera Bluecher's fighting machine and assume a braggadocio air about the whole situation, Japan may be in for the shock of their lives when they come up against Outer Mongolia's military forces.

Outer Mongolia, writes Leonard Ludwin in the *New Republic*, (March 23,) today has an effective and well-equipped army. It is friendly to Soviet Russia, though by no means a mere puppet of the U.S.S.R. It is also friendly to China, especially since the era of cooperation between Chiang Kai-shek and the Chinese Communists began. But more fundamentally important than its friendly relations with these bordering nations is the fact that, unless the unexpected happens and Japan finds herself overextended, Outer Mongolia will shortly be fighting for its own existence. Again, for the third time within the span of a comparatively few years, its independence is at stake.

Outer Mongolia, which borders on western Manchukuo, provides a territory of utmost strategic importance to the Japanese. Its possession would not only permit dangerous attacks on Soivet Russia's Trans-Siberian railroad in the Lake Baikal region, the life-

line of the Soviet Eastern army, but would extend Japanese influence deep into the Asiatic continent. The mineral wealth of Mongolia, as yet unexploited as far as the Altai mountains, would be at Japan's disposal and Soviet Russia would be cut off from access Chinese Turkestan (Sinkiang.)

Confronted with the possibility of Japanese agression on its territories, Outer Mongolia has for years with the help of Russia prepared for the coming events. Their powerful war machine was not created merely for Mongolia's own defense One may assume that the Soviet Union, without whose help such an army could never have been built, had other plans in mind besides the utilization of Mongolia as a buffer state to protect Soviet borders.

Ludwin observes that it is only a matter of time before the Mongol armies will become the focal center of warfare in the East. Regardless of who will take the initiative in the coming struggle for supremacy of Central Asia, it seems certain that the herdsmen from the Gobi Desert are repossessed of the marital spirit of their ancestors. They hold, he says, the key to the heart of Asia.

Purge in Outer Mongolia

Indicating that Japan is attempting to force her influence into Outer Mongolia was a report this week that a purge rivalling the Soviet's drastic drive against traitors recently occurred in Mongolia in order to crush an alleged Japanese-inspired plot to overthrown the government.

The Godless group's organ, *Bezbozhnik*, quoted the Outer Mongolian Government's organ, *Peoples Right*, as saying that large stores of arms, ammunition and light cannon were seized. First evidence of the alleged plot was said to have been discovered during the Soviet trial of January, 1937, and the purge has been continuing ever since.

The *Peoples Right* charged that the plot was headed by Buddhist priests connected with Japanese agents beyond the border of Outer Mongolia. Confessions were obtained from leaders of the Jugotzar Monastery, which was described as a Japanese spying centre, the "Peoples Right" said. The newspaper said the priests had plotted an armed uprising. Although the number of men executed was not available, the total was said to rival the numbers killed in the Soviet Union purge.

Terauchi Laughs At Reporrs of His Recall to Tokyo

General Shun Ushiroku, one of Japan's crack military strategists, was reported by *The Shanghai Evening Post & Mercury*, April 24, to have replaced General Count Hisaichi Terauchi as commander-in-chief of the Japanese forces in North China as the result of the defeat of his troops in the Taierchwang sector. Next day, in Peiping, *Domei* said Gen. Terauchi laughed at reports of his recall to Tokyo and denied Chinese claims of victory in southern Shantung.

Nevertheless, the *Post's* assertions which have yet to be confirmed by other news sources, said that recent failures of the Japanese in the Lunghai sector resulted in the placing of all troops operating north of the Yangtsze River under the command of Gen. Ushiroku.

Previous to the visit here of the Tokyo War Minister General Gen Sugiyama, General S. Hata, commander of the Yangtze forces, was in charge of the troops taking part in the southern attack on Hsuchow while the Peiping headquarters commanded the northern and western attack. After covering all the fronts by plane, the War Minister is said to have decided on placing all troops north of the Yangtze under the Peiping military headquarters to assure better coordination. General S. Hata is therefore now only in command of troops along the southern front extending from Wuhu to Hangchow, the strength of which is said to be only a few divisions at the present time. The northern strength is believed close to 25 divisions, indicating how much importantce the Japanese place on breaking through the Chinese defenses in the Lunghai area.

Japan to Suppress Labor Organs in N. China

All labor organizations in North China were banned April 23 by the Japanese military authorities and the "Provisional Government." The order was a sequel to the one-month strike in the mines of the Kailan Mining Administration which had seriously hampered the Government's economic rehabilitation program. The labor organs, Army authorities said, are now controlled by radical elements, bent on creating disturbances. With the suppression of all labor organizations, the officers said, the task of maintaining peace in North China will be gretaly facilitated.

Two Chinese Aviators Die

Lieutenants Wu Hou-chun and Li Yu-yung, of the Chinese Air Force, who were wounded during a dog-fight with a squadron of Japanese airplanes which raided Canton April 13, have died of their injuries, it is officially announced. In the course of the dog-fight, seven out of the 24 Japanese raiders were shot down by Chinese pursuit planes. General Yu Han-mou, Pacification Commissioner for Kwangtung, has remitted a compassionate grant of $5,000 each to the families of the two aviators.

Japan's Financial Policy Defined

Japan's two leading financiers last week defined the objectives of the Japanese Government's economic policy as stabilization of economic conditions and provision of an adequate supply of munitions. Both also disclosed the Treasury's intention to relax its restrictions on the purchase of foreign exchange to stimulate the nation's lagging foreign trade. The financiers were Okinori Kaya, Head of the Treasury, and Toyotaro Yuki, Governor of the Bank of Japan.

Emphasizing that the Government did not intend to make any radical changes in its financial policy, Kaya defined the aims of the latter as follows:

1. Maintenance of the present rate of exchange.
2. Encouragement of exports.
3. Encouragement of thrift.
4. Control over the production and distribution of commodities.

The Treasury, he declared, will relax the present stringent restrictions on the purchase of foreign exchange to favor those who produce for export. Care, however, will be taken to prevent the use of foreign exchange for the acquisition of raw materials used in the production of goods consumed at home.

If this regulation is observed the government will permit importations of large quantities of raw materials to be used for export goods, Kaya said. Economic development in China will take time, the Finance Minister declared. He recalled a statement by Hatsusaburo Hirao, President of the Japan Iron Manufacturing Company an official of the Sino-Japanese Economic Council and Economic Adviser to the Japanese Garrison in North China, to the effect that it would be necessary for Japan to deal with the economic development problem with tenacity of purpose and patience. Kaya said the government was considering offering shares in the projected North China and Central China Development Companies to the nation. Organization of the companies has just been started.

Yuki was optimistic regarding the financial and banking situation. During the past four months the Government has lent about Yen 1,250,000,000 directly or indirectly to private financial institutions, he said. This had the effect of relieving the constrained condition of the money market to a considerable degree, he declared. "Conditions in the loan market also have taken a turn for the better since the beginning of the year," he continued. The Bank of Japan is ready to supply funds to financing syndicates so that the satisfactory development of the loan market may be guaranteed through concerted efforts of borrowers, banking syndicates and the central bank." Flotations of national bonds are progressing satisfactorily, Yuki said. "Between the first of the year and the middle of April the Bank of Japan has floated national bonds to the amount of Yen 860,000,000 as against Yen 780,000,000 taken by the bank. The national bonds of small denominations which are sold through postoffices are also in great demand thanks to the patriotic spirit of the nation.

Turning to questions of trade and foreign exchange, Yuki said: "Encouragement of export trade is one of the most urgent tasks before the country. We must give attention to the problem not only from the viewpoint of raising funds for importing necessary materials for national defense, but also from the viewpoint of maintaining the vested interests of the nation in foreign trade. We are pleased to find that Japan's exports to North and Central China are showing a rising trend. We may conclude that this is an indication of the future tendency of Japan's total trade. Development of natural resources in Manchukuo and China is a project that should be undertaken immediately."

Dollars Made for China by U. S. Mint

The Treasury Department at Washington has just disclosed that the San Francisco mint had turned out 1,245,000 Chinese silver dollars for the Chinese National Government at Hankow during March. It also was revealed that the coins were the first instalment on a Chinese Government order for 3,240,000 Chinese silver dollars. The order was arranged by Dr. C. T. Wang, China's ambassador to Washington. It is said to have been concluded last autumn. Although the details of the shipping arrangements were ont disclosed, it was understood that China will pay for the coins with bar silver. The full order, it is expected, will be completed by June. Inquiry made in local banking circles this week produced no confirmation that such an order existed. The dispatch, however, came from Washington and is considered authentic.

Eugene Chen Arrives from Europe

Eugene Chen, former Minister of Foreign Affairs, arrived in Hongkong last week from Europe. He said that the Japanese invasion of China is the prelude to another world war. If the peace-loving nations of the world—including Great Britain, the United States, France and Soviet Russia—give their fullest support to China in her present struggle against Japanese Imperialism the second world war may yet be averted, because an alliance between these four Great Powers would be strong enough to resist any bloc of predatory Powers, Chen said.

What America Is Reading About the Far East

BY GEORGE KAO

EDITORIAL opinion in the United States on Japan's continued invasion of China is getting more and more scarce these days, but a periodic check-up of the leading journals in America does not fail to reveal consistent sympathy for China and the belief that Japan ultimately will not win.

The *New York Herald-Tribune* accurately summarized the present American notion of the Far Eastern situation on March 23, in the following words:

"The Chino-Japanese conflict has been overshadowed lately by events in Europe. The fighting in China is so far inland, and all accounts of it are so heavily larded with unfamiliar and unpronounceable place-names, that it would be hard to follow even if there were no diversions. So the American public is not unlikely to overlook the fact that the struggle in the East is, if anything, a more desperate one than ever."

The editorial went on to point out that since Tokyo's recall of General Matsui "nothing has happened to show that the new brooms are sweeping any cleaner than the old. Much has happened indeed to indicate that the Chinese are gaining confidence as they find themselves able to keep Japan's would-be housecleaners running fussily from one job to another." This last, of course, refers to the recent Chinese success in holding Hsuchow and in balking the Japanese forces north of the Yellow River and turning them away from the Lunghai Railway.

In the opinion of the *Herald-Tribune*, which is shared by the equally authoritative *New York Times* in an editorial on the following day, the struggle around Hsuchow may be, if the Japanese fail to take Hsuchow, a decisive one. On the other hand, both papers agree, if the Chinese should lose Hsuchow, but make an orderly withdrawal, they can still prolong the resistance.

The occasion for the *New York Times* comment was Premier Konoye's pronouncement in the Japanese Diet, on March 22, in which he said:

"I am unable to state the limit to which operations will be carried or when we will be able to call a halt, but I can tell you that we will never give up an inch of the areas already occupied . . ."

This extraordinarily important statement of Japanese policy, which appears to be so contrary to Japan's oft-repeated protestation—"We have no territorial ambitions in China"—is taken by the *New York Times* as "not necessarily definitive." The paper called attention to the lack of unity of opinion in Japan as to her national purpose, and to the sharp differences of opinion, not only between civilian and military leaders, but also among the army commanders themselves.

"Read in the light of other recent developments," the paper says, "(Premier Konoye's statement) appears to be only another diplomatic manoeuvre. Doubltess it is put forward now as a bold ruse to serve the dual purpose of minimizing recent military reverses and staking out claims believed to be useful for subsequent bargaining purposes . . . . Under these circumstances Prince Konoye's bold words in Parliament serve to underline the possibility that Japan may not win this war."

On March 28, commenting on the work of the 73rd Session of the Japanese Diet, *The New York Times* said:

"At home the Japanese military have again been victorious, but on the Chinese front they can report no corresponding recent gain . . . . After nearly nine months of warfare the invaders are not appreciably nearer their goal. The will to resist of the Chinese Government and people has not been broken. On the contrary, what the Chinese call 'the second period of resistance," which began with the fall of Nanking, has on the whole been discouraging for the Japanese."

Regarding Mr. Abend

It appears that what is expressed on the editorial page of *The New York Times* is not always deduced from reports contained in its news columns. The chief correspondent for *The News York Times* in China, Hallett Abend, has long been regarded here by Chinese and friends of China as "pro-Japanese," or a "mouthpiece" of Japanese official sentiments, especially since the Japanese domination of Shanghai.

Recently Abend reported an interview with Masayuki Tani, Japanese "Minister-at-Large" in Shanghai in which "cooperation" of third-party powers is invited in China's "economic rehabilitation." The Japanese wished that "certain powers cease encouraging General Chiang," Abend writes. "The suggestion is put out from Japanese sources that this is pre-eminently a proper time for American and European diplomatic and economic interests to make themselves heard in this part of the world. If third parties now merely sit back cynically and, it is said, watch events, they will later regret having refused to take advantage of the present opportunity."

In a general dispatch dated March 26 and headlined "Shanghai Turning Toward Japanese," Abend writes of the Japanese-sponsored puppet government in Central China and says, "nearly all foreigners and most Chinese here would welcome any new government that could end the present phase of uncertainty and trade paralysis." Another paragraph in the dispatch reads:

"Since Japan admits lacking sufficient capital to rehabilitate and develop the resources of these vast conquered territories, it is hopefully believed measures will soon be devised to give the proper safeguards under which Japan would provide security guarantees and technical leadership while America and Europe would furnish capital, with the Chinese providing cheap labor, raw materials and growing marktes."

A Reader Disagrees

This Japanese bid for American "cooperation" in exploiting China, as reported by Hallett Abend, does not seem particularly inviting or palatable to the average American. One of the readers of *The New York Times*, J. Anthony Marcus, writes to the paper thus:

"While your editorial policy is indeed logical, one finds that . . . your Tokyo and Shanghai correspondents are giving aid to the Japanese militarists. Mr. Byas and Mr. Abend seem to be trying to convey the impression that unless we hurry to go into partnership with the Japanese treaty-breakers we might miss an opportunity to make money. So that is all there is in life for us—money!"

THE JAPANESE URIAH

Punch, London

Uncle Sam (in the words of David Copperfield) "I am not fond of professions of humility, or professions of anything else."

The writer then warns:

"It is not out of love for Americans that the Japanese want us to come with our money and our equipment. What the Japanese are doing now to China they are most likely to do to our investors once we have served their purpose. Not only will be we driven from the Far Eastern markets, but by exploiting the Chinese and our machinery and our plants, the Japanese will sweep our merchandise out of the world's markets.

"We may be thankful that there are among us financiers and industrialists with a bit higher ethics than to enter into partnerships with international gangsters."

In another recent letter to *The Times*, Richard T. Viguers tells what has happened to American business interests in the puppet state of "Manchukuo" and warns investors against being fooled again by Japanese offers. The letter follows in part:

"Whether it was accidental or not, the headlines 'Japan Offiers United States Manchukuo Share,' 'American Machinery, Services to Extent of $300,000,000 Can Be Used in Country' and then 'Japanese Sees United States As Easily Fooled' tell a complete story.

"If Americans want to lend the Japanese $300,000,000 for the development of Manchukuo, they are free to do so. But in spite of Japanese efforts for the past six months to float such a loan in this country, Americans are not quite as easily fooled as the Japanese suppose."

New York, April 4, 1938

More American Flags for Far Eastern Ships

SHANGHAI this week heard many rumors concerning the assumption of control of the China Merchants' Steam Navigation Company in which the Chinese Government had a large interest, by William Hunt and Company, an American concern. But one fact stood out: the right of William Hunt and Company to take possession of the properties of the Chinese shipping company has been upheld by Judge Milton J. Helmick in an opinion handed down in the United States Court for China, in Shanghai.

Whatever prompted the Chinese Merchants' Steam Navigation Company to seek an injunction restraining the American shipping concern from taking possession of various wharves and floating stock located in a number of outports, including those on the Yangtsze River, is not too clearly outlined in the minds of many. However, it is clear that the court's opinion will probably bring American recognition to a new large American shipping venture. In his opinion, Judge Helmick did not make open expression regarding the right of William Hunt to fly the American flag over China Merchants property. His decision, apparently, left that much to be taken for granted.

Action by the court gives the American firm the right to take possession of China Merchants' properties as securities against loans advanced under the terms of reorganization contracts signed between the two firms two years ago. The contract is dated May 6, 1936, and confirms reports that the deal between William Hunt and Company and the China Merchants Steam Navigation Company had been consummated before the beginning of Sino-Japanese hostilities in this area. However, two days after this decision had been handed down, Japanese semi-official circles in Hongkong circulated reports that the Nanking "Provisional Government" would refuse to recognize the decision of the United States Court for China. Japanese quarters in Shanghai remained silent on the matter.

No statement was forthcoming this week from the American firm concerning the reported decision of the "Reformed Chinese Government" at Nanking to refuse recognition of the validity of the transfer of the assets of the China Merchants Steam Navigation Company to them. It is believed that officials of the American concern were consulting consular authorities regarding the next step to be taken. A report appearing in a Chinese paper stating that the Japanese had been requested by the U. S. Consulate-General to vacate China Merchants' property in Shanghai, Nanking, Tsingtao and Tientsin could not be confirmed. According to the Chinese report the Japanese military authorities had been asked to order their troops to turn over wharves, godowns and hips occupied since the outbreak of war last July to William Hunt and Company.

It is added that failure to comply with this request would see the matter transfered to Tokyo for settlement, the American Ambassador bringing the matter directly to the attention of the Japanese Ministry of Foreign Affairs. Such action, if taken, would indicate clearly that the American authorities consider the Japanese as the real party refusing to recognize the American court decision. Furthermore, the properties are not controlled at present by the Nanking regime which is refusing to recognize the judgment but by the Japanese.

The petition by the China Merchants' was filed early this month but the case was not tried in open court, such action not being necessary, according to Judge Helmick, because only three contracts signed by the parties concerned, were presented in evidence. Pleadings were heard, however, in chambers. Judge Helmick's opinion, in part, follows: "This case arises from the following facts: On May 6, 1936, a contract was made between China Merchants' Steam Navigation Company, Ltd., a Chinese limited liability concern, in which the National Chinese Government is largely interested, hereinafter called the Merchants, and William Hunt and Company, an American partnership, hereinafter referred to as the Company. The contract recites that the Merchants have borrowed large sums from various parties and have hypothecated property as security; that a reorganization is urgently required to permit expansion of business, amortization of loans and acquisition of fresh capital; that the Merchants desire the Company to supervise a financial reorganization and to procure fresh capital in order to expand the business; that the Merchants desire the Company to guarantee loans, and that the Merchants desire to secure the Company for losses on past and future debts guaranteed by the Company.

"Sell Assign, Transfer"

"On the basis of these recitals the parties agree in substance as follows: In order to secure the Company on its guaranty of past and present loans the Merchants 'sell, assign, transfer and set over unto the Company all of its right, title and interest both legal and equitable, in and to all of its properties of whatever nature, whether real, personal or mixed, together with all fixtures and appurtenances which it now owns or may hereafter acquire'." At this juncture, the contract sets forth a long series of obligations to which both parties are bound. These include such formalities as routine business accountings and details of management. Towards the end of this list comes the following, as presented in Judge Helmick's opinion:

"Terms and existence of the agreement not to be made public in pursuance of the desires of the National Government of China. . . . Merchants will not hinder Company from taking action to preserve its rights hereunder and the Company may take action in its sole discretion . . . . Company shall remain sole and exclusive owner of said property with all obligations guaranteed by or owed to Company . . . . When obligations are all paid the Company shall re-assign to the Merchants . . . . should the Merchants fail to perform the terms or pay promptly obligations guaranteed by or owed to the Company, 'title to all of said property shall immediately vest in the Company free from any right of redemption by the Merchants' and immediate possession shall be given without recourse to the courts, provided that until necessity arises for the Company to assume exclusive control the Merchants shall remain in possession as Tenants at will at rental of $1.00 Chinese currency per year."

Second Contract

At this point, Judge Helmick's opinion reveals the existence of a contract made between the Bank of Communications, the Central Trust Company of China, the Central Bank of China, referred to as the "Syndicate," and the China Merchants' and William Hunt and Company. This contract also was dated May 6, 1936 and recites the fact that the Syndicate had loaned $9,500,000 to China Merchants,' said loan being secured by pledges of property.

This second contract further reveals that the Syndicate "believes the secured debts of the Merchants should be consolidated and its business and financial affairs be placed in the hands of competent parties to administer; that the Syndicate believe the Company is a competent agency; that the Merchants and the Company have this same day made a contract and that it is necessary that the security given the Syndicate by the Merchants be now assigned to the Company." At this juncture, the contract with the Syndicate does assign "all its rights in the properties . . . . to the Company . . . . agrees to execute and deliver the necessary documents . . . . will make no new loans to Merchants unless arranged by the Company." The third contract connected with the case was signed on March 31, 1937, the opinion discloses. It was signed between the Central Trust of China, referred to by Judge Helmick as the Trustz the Bank of China, referred to as the Bank, the China Merchants' and William Hunt and Company.

This third contract recites that the Company has faithfully performed the two contracts executed on May 6, 1936 and that "the Merchants is indebted to the Hongkong & Shanghai Banking Corporation and has hypothecated to it certain security . . . that the parties desire to consolidate the Hongkong & Shanghai Bank loan with the other loans to the Merchants; that the security held by the Hongkong & Shanghai Bank should be made available to the Company; that negotiations have resulted in an agreement by the Bank, Trust, Merchants and Hongkong & Shanghai Bank settling the indebtedness at $10,000,000 Chinese dollars, and that repayment to the Hongkong & Shanghai Bank has been undertaken by the Bank and the Trust, thus effecting the release of the security." On this basis, the parties to the third contract, it was revealed, agreed that "all security formerly held by the Hongkong & Shanghai Bank is transferred to the Company under the same terms and conditions recited in the contracts of May 6, 1936 . . . The documents shall be held in safekeeping by the Hongkong & Shanghai Bank for the use and benefit of the Company which is authorized to demand the same and the Bank and the Trust agree to execute necessary releases."

Improvement Plans

During the pleadings before Judge Helmick, it was brought out by both parties involved in the petition that long before hostilities broke out, wide-spread plans for a creation of a new overseas steamship line were underway and that one had already commenced operatiosn from Amoy to Manila. It was further declared that grain elevators, improved and completely reconstructed wharves and godowns were to be built and that the property owned by China Merchants' at the corner of Foochow and Amoy Road was to have a new 15-story office building costing in the neighborhood of $4,500,000. Additional ships were being purchased, it was stated. In this connection, it was added that two vessels arrived just after hostilities started. In the petition for injunction. China Merchants' alleged that, on August 16, 1937, and subsequent dates, William Hunt and Company, by virtue of the contracts "took possession of certain properties of the plaintiff located at Shanghai, Tientsin, Canton, Swatow, Ningpo, and Wenchow, and that the defendant now threatens to take possession of other properties of the plaintiff located at Anking, Changsha, Chinhai, Foochow, Hankow, Ichang, Kiukiang, Macao, Shasi, Siangtan and Wuchow, together with all steamers and floating equipment of the plaintiff now lying at various Far Eastern ports.

"The plaintiff admits that it has defaulted in certain payments due to the defendants against loan which were guaranteed . . . . by the defendant, but alleges that all of said defaults have been caused by *force majeure*, and that therefore the defendant should, in equity, be permitted to take possession only of property which might be endangered by the present hostilities and of such value as would protect the loans guaranteed . . . . The Plaintiff alleges

the contracts did not contemplate a situation such as exists by reason of the present hostilities. The plaintiff alleges it has no adequate remedy at law and consequently prays an injunction against the defendant restraining the defendant from entering or taking possession of further properties as is threatened." In reply to the China Merchants' petition, William Hunt and Company admitted most of the allegations of the plaintiff's bill but "denies that its action and threatened actions are wrongful, and pleads its legal rights under the contracts."

Final Decision

In rendering final opinion at the end of his document, Judge Helmick states: "The cause was submitted for hearing on the pleadings, which contained the three contracts, and no other evidence was introduced. The arrangement credate by the contracts is not a complicated one from a business standpoint, but it is difficult to define the relationship of the parties in law, and there is no occasion to try. The arrangement is clearly more than a mere contract of guaranty or indemnity. The arrangement may perhaps involve point adventure, agency, conditional sale and mortgage. It may involve trust, but if so the trust is obviously an active trust and not a passive one. At any rate the defendant has evidently done and threatens to do what the sweeping language of the contracts literally gives it the right to do. In the absence of any relevant evidence apart from the contracts themselves, the Court can find in the contracts no grounds for limiting the rights of the defendant to something less than the words import. In view of the admitted default by plaintiff and the large obligations for which defendant has made itself liable as a guarantor or indemnifier, it would appear that defendant has done and intends to do what the contracts contemplate. It is doubtless true that defendant will be required to account to plaintiff for what it takes, but the right and necessity to take possession of security appears to rest in the defendant's own judgment until the plaintiff's indebtedness is fully paid. The Court is of the opinion that injunction should be denied."

Agreement on Shanghai Customs Reported Reached in Tokyo

Puzzling to Shanghai this week was the *Reuter* announcement from Tokyo that an agreement had been reached between Japan and Great Britain on outstanding issues affecting the Shanghai Customs, in which it was stated that on termination of the "China Incident," the Customs revenues may be deposited in the Japanese owned Yokohama Species Bank. Such a plan immediately gave rise to speculation on what would happen should Japan be the loser in the "China Incident."

The agreement, according to *Reuter*, is to be initialled April 30. Copies have been sent to France, the United States, and other interested powers. The negotiations leading to the agreement were conducted between the British Ambassador, Sir Robert Craigie, and the Japanese vice-Minister for Foreign Affairs, Mr. Horinouchi. According to Japanese reports, it has been agreed that the "Reformed Government" in Central China shall appoint a fit Chinese official to the post of Superintendent of Customs at Shanghai.

Payments on foreign loans secured on the Customs are to be made, the reports assert, on the basis of the actual revenues derived by the various Customs offices in territory under Japanese control.

Earlier in the week, *Domei* reported that the "Reformed Government of China," had apparently decided to take over the Shanghai Customs early next month. *Domei* said that the "Government" will carry out a wholesale revision of tariffs when it takes over the Customs. Up to the present time the "Reformed Government" had been awaiting the conclusion of Anglo-Japanese negotiations in Tokyo regarding the transfer of the Customs administration. But in view of the slow progress of negotiations the Nanking regime apparently has decided to act in May. The Shanghai correspondent of the *Nichi-Nichi*, another leading Tokyo daily, reported that the "Reformed Government" has decided to collect a consolidated tax on matches, alcohol, cement, flour and cotton yarns, which hitherto has been levied by the Shanghai Customs, starting May 1. The consolidated tax will be levied first on imports from Japan and revenue will be deposited in the Yokohama Specie Bank, according to the *Nichi-Nichi* correspondent.

Japanese to Study China Judicial Systems

Groundwork for a possible gradual abolition of Japanese extraterritoriality in China, in a manner similar to that adopted in Manchukuo, will be laid by Hiroshi Funatsu, chief of the Secretariat of the Ministry of Justice, who will leave for North and Central China in May, *Domei* learned this week. The official will make a three-week tour of the areas now governed by the Provisional and Reformed Governments, respectively in North and Central China. Ministry of Justice officials, canvassed by *Domei*, indicated that they were opposed to a perpetuation of the present system of consular jurisdiction under the principle of extraterritoriality in China. Assistance, they said, should be given the new Chinese regimes to rid themselves of the present system provided such aid did not conflict with the independence of the Chinese judiciary and the treaty rights of various Powers.

Japan Honors War Dead; 4,339 Decorated

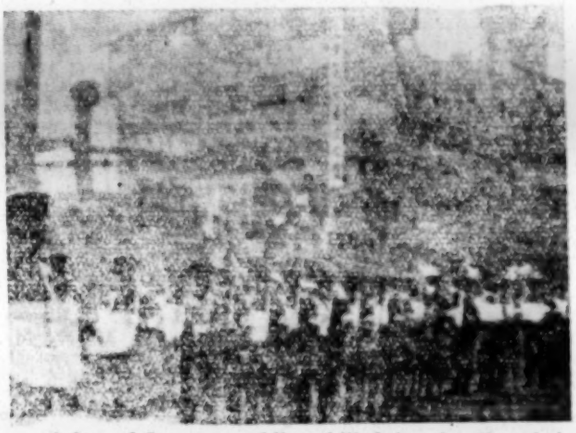
Japan on April 24 paid tribute to 4,339 of her war dead who distinguished themselves in action during the present Sino-Japanese hostilities. Of those posthumously honored, 3,574 belonged to the Army, 765 to the Navy. In rank, they ranged from a major-general to a first class private. Aviators, infantrymen, artillerymen and staff officers shared the distinctions in this first war list. Lieut. Isao Ohyama, whose slaying by members of the Chinese Peace Preservation Corps on Monument Road, Settlement extension thoroughfare bordering Hungjao airdrome, precipitated the tension that led to the Shanghai hostilities, was decorated with the Order of the Rising Sun, Sixth Grade. Lieut.-Commander Kenzo Kashiwabara, staff officer of the Japanese Special Naval Landing Party, who was killed when a shell hit the watch-tower atop the Kiangwan Road barracks, was granted the Order of the Rising Sun, Fourth Class.

Among the 756 naval officers and men posthumously decorated, 730 received the highly-coveted Order of the Golden Kite, the highest honor for military valor in Japan, a Ministry of the Navy announcement said.

Shanghai Dead Mourned

The Japanese Navy on April 24 mourned its dead in simple but impressive rites held at Hongkew Park. The memorial service honored the officers and men of the Special Naval Landing Party who lost their lives in Chapei and Yangtzepoo; naval fliers who paid the supreme sacrifice in the countless raids staged against Chinese defenses, near and far from Shanghai; and the officers and men killed in action along the coasts and rivers of China.

SILENT RETURN OF HEROES



Ashes of Japanese soldiers killed in the Shanghai-Nanking areas, which arrived at Osaka, Feb. 28 for shipment to relatives. Reproduced from Osaka Mainichi, March 1.

Chiang Kai-shek Gains Weight

Despite Japanese rumors to the effect that Generalissimo Chiang Kai-shek, chairman of the Military Affairs Commission and Tsung Tsai of the Kuomintang, was seriously wounded during a Japanese aerial raid on Changsha, the Generalissimo is enjoying the best of his health in Hankow and has gained nine pounds in the past few months since he moved his headquarters to Hankow, according to Chinese circles. The generalissimo is determined to resist to the bitter end and believes that the decisive battle will not be fought in the near future. He urges all the people and soldiers now fighting on the front to march on toward our final goal, Chinese say. Reports to the effect that Sir Archibald Kerr, British Ambassador to China, has offered to mediate for peace between China and Japan, were also ridiculed by Chinese circles here. According to the reports, Japan has offered more concilitory terms for peace talks this time. Well-informed political circles here state that the British Ambassador's interview with the Generalissimo in Hankow was but a social call and that time has not yet come for China to discuss peace.

Chapei Phone Service to Start

Telephone service in Chapei and the former Civic Center area will be opened to the public early in May, the *Shanghai Nippo* reports. Persons desiring phones were notified by the authorities to send applications to the offices of the Azuma unit of the Military Special Service Section, No. 77 Whangpoo Road, (Tel. 46845) or to the Chapei Telephone Office, 114 East Wanpan Road (Tel. 45592) up to April 25. The area where telephone service will be provided must be within a radius of three kilometers from the Chapei Telephone Office and the Civic Center Office, including the North Extension Road area, the announcement stated.

Yoshida Answers Charges by Calder-Marshall

ASSERTING that Japanese soldiers were fighting for foreigners as well as Japan in China, Masaji Yoshida, president of the Shanghai Japanese Chamber of Commerce and Industry, last week refuted charges that Japanese were responsible for damage done to foreign property here.

"There are no reasons," he said, "for foreigners to blame the Japanese for the housing and cargo transportation problems during the hostilities and afterward." Yoshida's statement, he said, was in answer to the views expressed by Mr. Calder Marshall, President of the British Chamber of Commerce, at the annual general meeting of that body on April 8.

"There are many foreigners," Yoshida said "who still are anxious and suspicious about the principle of equal opportunity or the open door policy, the nature of which has been explained many times by the Japanese Government. We industrialists and traders have often heard ironical words and complaints regarding it. Mr. Calder Marshall also commented on this problem in his speech delivered on April 8. Though I do not understand the technical phases of equal opportunity based on diplomacy I firmly believe that this does not mean equal allotment of concessions—in other words, an equal distribution of assets such as that made among the children of a family by their father. The open door policy means to recognize the freedom of future devement while respecting vested rights. The Japanese Government, in explaining its policy concerning the management of special companies such as the Central China Development Company, declared that it would not refuse to allow foreigners and Chinese to participate in the management of the company."

Japan's Foreign Relations

Yoshida said he wanted to explain Japan's relations with foreign countries in China from the viewpoint of Japanese industrialists and business men in China. "It is to be regretted," he stated, "that there are many foreigners who ascribe the damages suffered by foreigners in Shanghai, and the privation to which the Chinese people have been reduced, to the actions of the Japanese. In doing so they fail to take into consideration the causes leading up to the Sino-Japanese clash and the measures which were taken to prevent the incident. It was due to a deliberate scheme on the part of China that the hostilities extended to Shanghai in August last year.

"Peace and order in Shanghai would have been maintained if measures similar to those taken by Britons in the past warfares in China had been carried out to prevent the advance of Chinese troops to Shanghai. It was due to the actions of the Japanese troops that the damage done in the Settlement was very small compared to that inflicted upon places near the Settlement. It was also due to the bravery of Japanese troops that the Settlement was protected from Chinese troops which attempted to capture it. We heartily hope that Japanese traders and industrialists will co-operate with foreigners or Chinese in the management of enterprises in China. This has been made clear by the statements issued by the Japanese Government.

Equal Opportunity

"At any rate, the fundamental factor is to give every man an equal opportunity. It is not unreasonable for some industrialists and tranders to have better business as compared with others in proportion to their efforts and the scale of their enterprises, even if equal opportunity is given everyone. We intend to carry on enterprises with fair play based on an equal footing by rejecting the policy pursured by the Nationalist Government or giving prejudicial assistance to one side. We shall go a step farther in heartily co-operating with foreigners and Chinese in the management of enterprises."

Yoshida emphasized the necessity of stablizing political conditions in China and of effecting an able government to bring about economic reconstrucion. Referring to the money problem, he said: "It may be unnecessary to reiterate that reform of financial institutions and stabilization of currencies are of vital importance in the economic rehabilitation or Central China.

"We will be unable to take any step for this purpose without bringing about a change in the present constrained situation as regards money and banking. For the improvement of the monetary situation we must give assistance to Chinese managed private banking corporations so that they may recover from the damage suffered in the hostilities. On the other hand a new central financial institution is needed to replace the former Chinese Government banks. Special banks must be created to give financial facilities to real estate owners, farmers and industrialists."

Japan Trade Balance Adverse in April

Japan's foreign trade in the period from April 10 to 20 showed an adverse balance of Yen 22,275,000, the Finance Ministry announced April 20. Imports amounted to Yen 100,117,000 and exports totalled Yen 77,842,000.

U. S. Seeks Facts on Oil Monopoly

Japan has received a note from the United States' Embassy in Tokyo asking for information on the proposed Japanese oil distribution company in North China. Announcing that the Japanese reply would be made soon, a Tokyo official declared the projected firm was designed primarily to cater to the oil requirements of the Japanese military forces in North-China. The spokesman emphatically denied a message from Washington asserting that Joseph C. Grew, American Ambassador to Japan, had protested against Japan's alleged disregard for the principle of the "Open Door" in China.

This disregard, the press report said, was manifested in the projected formation of a company to monopolize the distribution of oil in North China. Plans for the establishment of the concern were revealed in Peiping on April 19. The company was to be capitalized at Yen 20,000,000, the bulk of which would be subscribed by Japanese petroleum firms in Japan Proper, Manchuria and Korea. The projected company, it was stated, would construct refineries at Chinwangtao and Tsingtao, while it would also operate a plant in Manchuria.

Foreign petroleum companies, including the Standard, Texas and Asiatic Petroleum Companies, are giving close attention to the proposal for organizing the new concern. They pointed out that the projected firm would only import and control the marketing of oil, and "was not authorized to monopolize the oil business." Officials of the foreign firms were said to have expressed the hope that 90 per cent of sales in North China would be allotted to them. Negotiations on the subject were understood to be going on between Japanese and foreign oil interests.

Austro-German Anti-Jewish Drive Assumes Drastic Form in Vienna

The Nazis and brown shirts, after placarding shops owned by Jews in Vienna, stationed guards in front of the shops to prevent non-Jews from entering. In addition the brown shirts forced the proprietors of many shops to stand in front of their establishments and hold placards containing inscriptsions, "Don't Buy from Jews." In one case a Jewish girl was compelled to kneel and stand alternatively while the crowd looked on. Many foreigners, including *Reuters* correspondent, were forced to stop and be inspected by Nazi patrols.

A *Havas* message from Budapest said that official Jewish organs had protested against a proposed law presented by the Premier of Hungary which it was claimed would infringe on the principles of equality. It was declared that Jews had lived in Hungary for 1,000 years and always had demonstrated their patriotism.

The Austrian estates of Baron Alfons Rothschild, head of the well known banking family, have been seized and confiscated, according to a *Reuter* report from Vienna on April 23, stating that the whereabouts of Baron Rothschild were unknown. Another property owned by Fritz Mandl, largest Austrian munitions factory, and also the porperty of Baron Springer, a relative of Rothschils, have been seized. Jews are being rounded up in the streets and compelled to wash street cars.

In New York, four alleged Nazis invaded the offices of the Anti-Communist-Anti-Fascist-Anti-Nazi League (April 22) and tried to force the editor of an anti-Nazi magazine *Uncle Sam* to kiss the swastika flag. When he refused they beat him into unconsciousness and then smashed up his office and tore an American flag from the wall. Charles Weiss, 31-year old victim, was a cripple.

T. V. Soong as Finance Minister?

Well informed circles said in Hongkong this week that T. V. Soong, chairman of the Board of Directors of the Bank of China, would be named new Minister of Finance in an official announcement expected to be made by the Chinese Nationalist Government this week. It was worthy of note that Mr. Soong went to Hankow secretly from here on Friday, Mr. Soong would succeed Dr. H. H. Kung if appointed Finance Minister, a post he previously held in the Central Government. It is also reported that his visit to the provisional capital is connected with the Government decision to issue national defence bonds amounting $500,000,000 and gold bonds of $500,000,000.

Development Commission Formed

To promote and supervise the development of arable lands in Szechuen, with interests of the refugees from the war zones in view, a land development commission has just been organized at Chengtu, the provincial capital. It may be recalled that only very recently the Szechuen Government had set aside more than 40 districts along the provincial borders for reclamation and settlement purposes. At the same time, farming corps, organized of men under military discipline for land reclamation and development, have also been designated to assist in the scheme.

Szechuen's Student Battalion—A New Educational Means for China

BY HIN WONG

AN educational experiment with far-reaching influence is to be tried in Szechuen, under the immediate supervision of the national Ministry of Education, in the form of student battalions when in transit, or student camps when stationery.

For the time being, only refugee students and teachers of the junior or middle school grade now without permanent residence will be admitted to the battalion or camp; but once admitted or accepted for service as a student or teacher, he or she will be supported at public expenses. Not to discriminate such middle school students, they will be admitted to regular middle school examinations and graduated with regular honors and diplomas as usually granted by school authorities, municipal or provincial. The so-called battalions or camps, in certain measure, are schools organized to meet wartime conditions, when people had to move about, live simply, and do what one is capable of for one's own self and for the country at large. Wang Hsi-ling, commissioned by the Ministry of Education, has just arrived at Chungking from Hankow to initiate the work of organization, and he will be the director of the first camp to be pitched somewhere in or near Chungking in Szechuen.

All forms of a middle school organization will be discarded with so that teachers and students may reside together and receive or give instructions as informally as possible. Students, organized into squads, platoons, companies, and battalions, may move from one place to another. Barracks will be erected in a number of places throughout Szechuen so that different student units may quarter there when spending one or two months in the localty.

Variety of Subjects

Students and teachers will be put up in tents, but some barracks had to be built at different permanent sites so as to have class meetings on rainy days and a storage for reference books and periodicals. General knowledge as being provided for by a regular middle school course will be followed, but the battalion or camp management will require mental, physical, social, and moral development in a most natural and practical way. From places travelled or to be visited, history, geography, civics, and the like may be closely studied, and while cooking for the mess, putting up a shed, picking up a new insect, admiring a flower, who may say that chemistry, physics, or biology may not find some change or a new specimen. When in camp or travelling in groups, certain regulations had to be enforced and one directing or to be directed had to co-operate with each other; and thus discipline and society, for which higher morality must be the base, of the best type may naturally come about. While students would be made to work and walk in many cases the same way under the same order, every individual would be given to display his or her own talent, like a soldier in any army, who may be assigned to numerous other duties than simply attacking or guard mounting. Students will be given every chance to practise sharp-shooting, horsemanship, scouting, map-making, or other work which would improve the camp ground; and to those interested in social service work, opportunity will be given them to enter neighboring villages to assist in mass education and other service. Students are taught health and personal hygiene from their daily life, which is one of independent and self-governing when having to go about from place to place, not mentioning of frequent possibility and necessity of leading others as a petty or higher officer in the unit of which one is a member.

School for Cadets

Regular army organization will be followed as much as possible with all the necessary service departments such as hospital, commissary, engineering, transportation and the like, and every teacher and student is expected to share some responsibility in the camp, other than the attendance to his or her class work, attempts to be made to distribute the work as suitable as possible to one's interest and ability.

Aside from a school of middle school subjects, a school for cadets for military service will go with it at the same time in a camp; that is, all students will be put through a short-course of military training, and for young women, other subjects, such as nursing and home economics, may be substituted. Students will be encouraged to study by themselves as much as possible, and from newspaper reading local topics or international affairs may be discussed informally or in specially formed groups among teachers and students especially in those subjects.

In every way, every student will be encouraged to be self-studying, self-governing, and self-supporting as early as possible. It is hoped that these student battalions or camps, *Hsueh Sheng Ying*, aside from meeting present wartime conditions, may serve as an experiment to solve the future educational problem of China. The present school system, according to some, is too formal and costly and, at the same time, impractical, unable to meet the needs of the people and the country.

Guerillas Slay Japanese Civilian

A Japanese civilian employed by a Hongkew company was slain by a band of Chinese guerillas half way between Changshu and Tatsang on Monday afternoon, the *Shanghai Mainichi* reported. Riddled by bullets, the body of Masao Hamamoto, 27, was found near a truck in which he was transporting 80 cases of matches to Nanking. The discovery was made by Takeshi Ohba, 29, Japanese employee of Gentai & Company, Dixwell Road, who was returning to Shanghai from Nanking.

Chinese Gets Medical Degree in Japan

Chien Chao, Chinese student at Kyushu Imperial University, was last week granted a degree of Doctor of Medicine by the Ministry of Education. He recently submitted a thesis on hypertrophy.

American Aviator Detained in Japan

Melvin Gibbon, 27-year-old American aviator, who was examined by police at Yokohama regarding his connection with the Chinese air force, will be detained for some time, it was reported April 26. His wife sailed from Yokohama for San Francisco on April 23 aboard the Empress of Asia, on which the couple arrived from Shanghai on April 22. Gibbon admitted after long questioning that he had served with the Chinese air force and had taken part in engagements against Japanese fliers. He said he had been employed by the Hankow Government since October at a salary of $1,000 a month and had the title of Flight Sub-Lieutenant in the capacity of instructor at an aviation training school.

No official police report has been published in the case yet. Newspapers reported, however, that the American took an active part in air raids on Pengpu in Anhwei Province in which Japanese positions were attacked some time ago. Bombs dropped by Chinese planes in this raid missed their targets and hit an Italian convent and mission headquarters, the paper said. At the time of his detention the press said he was suspected of having taken part in the Chinese air raid on Formosa on Feb. 23. No statement was issued by officials of the Kanagawa Prefectural Government as to whether it had been established that he was one of the fliers participating in the attack.

The *United Press*, however, carried a conflicting report from Yokohama, dated April 22. They claimed that Gibbon had been released following the conviction of the police that the "Manila mining engineer" was not an aviator employed by the Chinese.

Later reports from Tokyo said that opinion was divided between police and judicial authorities regarding the question of indicating Gibbon. A spokesman for the Yokohama police declared today that Gibbon committed a crime indictable under Article 81 of the penal code, which stipulates that anyone "who in collusion with a foreign country aided the latter in hostilities against Japan, or took hostile action against Japan by joining the enemy, shall be sentenced to death." The spokesman said the case had been referred to the public procurator's office, which will decide whether Gibbon is to be indicted. A spokesman for the Yokohama procurator's office, however, taking a cautious attitude, said "possibly it would be difficult to indict Gibbon from the legal point of view."

Tani Sees No Friction Between Japan and Great Britain

"It has been said that Britain will take positive steps regarding her Far Eastern policy as a result of the Anglo-Italian accord, but there is no possibility of that," declared Masayuki Tani, Japanese Minister-at-Large, in a press interview, according to local Japanese newspapers Wednesday. Tani arrived here from Dairen on Monday afternoon, accompanied by Morishima, newly appointed Counsellor of the Japanese Embassy here. "Japan is enjoying absolute superiority in the Far East, which is comparable to the influence of Italy in the Mediterranean Sea," Tani said.

Fake Label Plant Raided by Police

A total of 480,000 fake labels of "Pirate" brand cigarets were seized and five printers were taken into custody during a police raid on the Chung Hua Printing Company, 183 Woosung Road, April 26. This constitutes the biggest seizure of counterfeit labels within the last three years. Acting on a trip furnished by the Yee Tsoong Tobacco Company, the complainants, a raiding party from the Hongkew station under Detective Sub-Inspector R. M. Moir carried out a raid on the printing plant. A careful search of the premises was made and the labels and a lithographic plate discovered. The printing shop is owned by a Japanese named Kimura who is at present in Japan on a business trip.

Outstanding Events in the Sino-Japanese War

A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th issue of The Review.

March 30.—Japanese continue search in Peiping for the six gunmen who unsuccessfully attempted (March 28) to assassinate Wang Keh-min, head of "Peiping Provisional Government," but seriously wounded his Japanese advisor, E. Yamamoto. Japanese have establish police posts at all entrances to Legation Quarter, where they are attempting to search all passers-by, including foreign diplomats and foreign women. British and American Embassies have protested to Japanese against procedure.

March 30.—Two Chinese wounded when bomb, believed thrown from roof of Chinese amusement house, the New World, exploded at corner of Nanking and Yu Ya-ching Roads, Shanghai.

March 30.—Harold Porter, former British Consular Official, now business man head of Peiping Coal Mining Syndicate, and Vice-Chairman of Shanghai Municipal Council, missing since March 25. Reported last seen on Hungjao Road area March 26.

⁂

March 31.—Taierchwang, on northern bank of Grand Canal, east of Tientsin-Pukow Railway in southern Shantung, turned into "burning hell," as Chinese and Japanese troops locked in furious hand-to-hand street-fighting amidst blazing buildings. Japanese occupy one-third of city, while Chinese hold other two-thirds. Chinese setting fire to houses in attempt to drive out Japanese.

Japanese claim occupation of Taierchwang. Chinese troops reach Tsaochwang, northwest of Taierchwang, by flanking movement, reported inflicted 2,000 casualties on Japanese in severe engagement. Japanese troops at Lingyi, southeast Shantung, falling back toward Chuhsien.

On Peiping-Hankow Railway front Chinese recaptured Tsiaotso, northern Honan.

On Eastern Front Chinese mobile units reoccupy Szean, important Anhwei town, 25 miles east of Kwangteh.

Japanese planes carry on extensive raids over Kwangtung, Canton-Hankow and Canton-Kowloon Railways main objective.

March 31.—Chinese circles in Hankow optimistic over military situation; new Chinese army rapidly being trained and soon ready for action; 100,000 Szechwan troops standing by ready to leave for front.

March 31.—Chu Chia-hua, ex-Chekiang Chairman, well-Known as German returned student, soon departing for Europe to explain China's case and the situation in the Far East.

March 31.—National Government issued mandate (March 30), exonerating former-Tientsin Mayor and 38th Division Commander, Chang Tzu-chung, who was previously ordered dismissed and court-martialled for the loss of Tientsin. Gen. Chang recently distinguished himself in repulsing repeated Japanese attacks on Tientsin-Pukow Railway front.

March 31.—Foreign merchants have lost large sums in trading during past three months in Yangtse ports, according to estimate by leading foreign importer (interviewed by **The China Press**) in Shanghai whose company alone has lost more than $2,000,000.

⁂

April 1.—After eight days and nights of continuous fighting, Chinese forces have dislodged Japanese troops holding out in northern section of Taierchwang, strategic city on north bank of Grand Canal, east of Tientsin-Pukow Railway. Chinese troops reported advancing northward to Tsaochwang along Lincheng-Taierchwang Railway. Japanese troops at Yihsien and Tsaochwang now completely isolated by Chinese.

April 1.—Sir Archibald Clark Kerr, new British Ambassador to China, arrived at Canton from Shanghai en route to Hankow and Chungking to present his credentials to Chairman Lin Sen of National Vovernment.

April 1.—Fan Han-sheng, Chinese Consul-General in Korea, and Chang I-hsin, Chancellor, dismissed by National Government for collusion with the enemy and betrayal of the Party and the State; both accepted consular representation for Peiping puppet government.

April 1.—Six overseas Chinese aviators headed by Chen Kuo-kwang arrived at Canton from the United States to join Chinese Air Force.

April 2.—Gen. Chiang Kai-shek given dictatorial powers as result of the election (April 1) as "Tsung Tsai" or "General Executive" of Kuomintang by Emergency National Congress of Kuomintang Delegates which met at Hankow on March 29. As "Tsung Tsai," Gen. Chiang will exercise enormous powers:

1. Act as Chairman of National Kuomintang Congresses.
2. Act as Chairman of the Central Executive Committee of the Kuomintang.
3. Possess the right to ask the National Kuomintang Congress to reconsider its resolutions.
4. Have the final say in regard to resolutions passed by the Central Executive Committee of the Kuomintang or, in other words, he can veto the Committee's decisions.

On motion of Gen. Chiang, Wang Ching-wei was elected "Fu Tsang Tsai" or "Deputy General Executive" of Kuomintang.

The Congress affirmed that the **San Min Chu I** or Three People's Principles shall be the highest guiding principles of national thought. This resolution was meant to dispel speculation concerning possibility of Communist control of Government.

Other important resolutions included:

Abolition of System of Reserve Members of Kuomintang; creating in its stead a Kuomintang Youth Group. Creation of People's Political Council.

April 2.—Japanese use fresh troops for renewed attack on Taierchwang and Lingyi fronts, where serve fighting continues.

April 2.—New Railway between Tungchow, east of Peiping, and Kupeikow on Jehol border—first Japanese enterprise since occupation of North China—opened to traffic yesterday (April 1); Connects Peiping with Chengteh, capital of Jehol.

April 2.—Chinese guerilla bands active along Peiping-Suiyuan Railway; their operations extend as far as Kalgan, Nankow Pass and Suanhua.

April 2.—Japanese Tung Wen College of Shanghai reopened in seized premises of Chinese Chiaotung University on Avenue Haig.

⁂

April 3.—Complete reoccupation by Chinese troops last night of Taierchwang and Hanchwang, strategic towns north of Grand Canal, in southern Shantung, announced by Gen. Li Tsung jen, Commander-in-Chief of Chinese Forces on Tientsin-Pukow Railway front. Recapture of two cities follows desperate fighting lasting continuously for 12 days nights, according to Gen. Li. News of victory greatly encouraged Chinese circles in Hankow.

April 3.—Emergency National Congress of Kuomintang Delegates concluded its sessions at Hankow yesterday (April 2) with issuance of manifesto expressing hope that "Japan will abandon her policy of aggression and co-operate with China for the establishment of peace on a basis of righteousness and justice."

China's foreign relations, the manifesto declared, will be governed by two principles:

1. China will scrupulously respect all treaties designed for the maintenance of international peace to which she is a party, and will unflinchingly defend their sanctity and inviolability.
2. China will seek not only to preserve but further to promote friendly relations subsisting between China and other powers.

The manifesto urges the Chinese people not to entertain false hopes and miraculous happenings, nor count upon foreign assistance, but to carry on the struggle by dint of their own effort.

Decisions of Congress hailed with unanimous approval by all Chinese circles in Hankow, including Communist elements.

Congress was attended by more than 500 delegates from all parts of country.

⁂

April 4.—Gen. Chen Cheng, Garrison Commander of Wuhan Cities (Wuchang, Hankow and Hanyang), interviewed by foreign newspaper correspondents at Hankow, reviewed Chinese military situation on all fronts, declaring that Japanese attempts to advance on Hsuchow have been frustrated.

April 4.—Gen. Chiang Kai-shek's position said considerably strengthened as result of important decisions reached at recent Kuomintang Congress at Hankow

which elected him virtually wartime dictator of the Party.

April 4.—Sir Archibald Clark John Kerr, new British Ambassador, arrived at Hankow from Canton. Announced he would proceed to Chungking by air plane (April 12) to present his credentials to Chairman Lin Sen of National Government.

April 4.—The puppet 'Ta Tao Government" in Pootung soon to be reorganized into "Shanghai Municipal Administration Office," according to Japanese papers.

***

April 5.—Japanese claim to have occupied Taierchwang, in southern Shantung, categroically denied in Hankow. Chinese army spokesman declared fighting still going on both eastern and western outskirts of city. Casualties heavy on both sides; detachment of 1,000 Japanese soldiers which entered Taierchwang April 2 reported to have been wiped out. Both Chinese and Japanese rush reinforcements.

Chinese air squadron heavily bombed Japanese reinforcements which were on their way from Chuhsien to Lingyi and Taierchwang, southeastern Shantung.

Hankow optimistic as result of report that newly trained troops, many of them high-school and college graduates, are fighting well on Tsin-pu front.

Chinese mobile units reported active in vicinity of Shanghai; rattle of machine-gun fire audible in western district. Japanese troops in Sungkiang, on Shanghai-Hangchow Railway, set fire to many villages on both sides of the 10-kilometer Sungkiang-Szekin Highway in order to deprive guerillas of cover.

Guerillas also harrassing Japanese in vicinity of Tsingtao, Shantung and along Kiaochow-Tsinan Railway.

April 5.—M. Shigemitsu, Japanese Ambassador at Moscow, protested to Soviet Foreign Commissar, Maxim Litvinoff, against alleged intervention of Soviet planes in China; protest rejected.

April 5.—More than U.S. $400,000 have been contributed by Chinese living in the United States for purchase of planes, according to six Chinese fliers who recently arrived at Hongkong en route to Hankow to join Chinese air force.

April 5.—Alexander Mackie, British subject, assaulted by Japanese soldiers in Hongkew; attack described as "inexplicable and uncalled for."

April 5.—Twelve Chinese arranged in 1st Special District Court, Shanghai, on charge of procuring Chinese girls for brothels in Hongkew for "service" of Japanese army.

***

April 6.—Detachment of Japanese troops who stormed South Gate of Taierchwang surrounded by Chinese forces and reported facing annihilation unless reinforced. Japanese planes bomb Canton's industrial district; damage done unknown. Canton's airdrome also attacked.

Party of forty Japanese Geisha girls (intended for entertainment of Japanese army officers) captured in Kwangteh area, eastern Anhwei, near Chekiang border, passed through Nanchang, (Kiangsi capital) en route to Hankow. Kwangteh recaptured by Chinese March 25.

April 6.—Vice-Admiral Sir Percy Noble, new Commander-in-Chief of British Fleet in China, arrived at Shanghai to assume his post.

April 6.—Netherlands Government donates 50,000 florins for China war relief, according to Geneva report.

April 6.—April 2 issue of **Shanghai Evening Post and Mercury**, American owned and edited evening paper, banned from mails by Japanese censors at Shanghai Post Office. Editor stated that no reason for this action was given by Japanese, but believed that report in that issue of attack by two Japanese on C. J. dos Remedios, British subject in Hongkew area was the cause. Editor and publisher took serious view of case, as it constituted first known instance of Japanese interference with foreign mails. American Consul-General Clarence Gauss informed of incident and asked to lodge protest with Japanese authorities. Today's issue of the **Post** again banned by Japanese.

April 6.—Sun Fo, President of Legislative Yuan, appealed for international aid to China in her struggle against Japan, in speech before meeting of some 50 British members of Partiament London (April 5).

April 6.—Japanese troops in Chefoo, Shantung, suffered severe casualties as result of three surprise attacks made by Chinese mobile units. Considerable fighting proceeding in vicinity of Chefoo.

April 6.—System of **Likin**, (transit tax), an illegal import levy, abolished by National overnment in 1931, revived by Pootung regime, "Ta Tao Government." Fifty articles subject to new levy, collection of which attributed as cause of high living costs in Shanghai.

Apriy 6.—Paul Emile Naggiar, French Ambassador to China, arrived at Hongkong from Shanghai en route to Hankow.

April 6.—Liang Hung-chih and two other leading members of Nanking's "Reformed Government" arrived at Peiping in Japanese plane for purpose of discussing terms for merger with Peiping regime headed by Wang Keh-min, according to Japanese spookesman.

Tugs, Junks, Sampans Are Reaping Rich Harvest

A rich harvest is being reaped by operators of small steamers, tugs lighters, and native junks in the trade between Shanghai and the lower Yangtsze River ports. Everywhere along the Bund pontoons are bright-faced cheerful compradores and steamship agents who joyfully assure you they are losing money at an unprecedented rate, writes Francis S. Y. Lee in the *China Press*.

Six dollars a bale was the freight paid last week on a consignment of salt pork for a half-day journey from a nearby river port to the Shanghai Bund. Cotton last year brought about 60 cents per bale in freight. Current rates are $1.80 per bale. The passengers who crowd the rails, perch on the cargo, and even dispute with the pigs for a place on these small carriers pay $2.50 for their passage. The tugs and small steamers operating to the nearest ports such as Liu Ho are said to be getting the cream of the business. There is keen rivalry and many races are run to these ports. The first tug arriving loads the best cargo! The Bund Pontoon charges give a slight advantage to the tugs towing lighters and junks. A lighter or junk is allowed to tie up free for six hours while a steamer under 100 feet in length pays $25 for the first six hours nad $50 thereafter. A steamer over 100 feet in length pays 25 cents per foot for 6 hours and $1 per foot thereafter. As almost always the lighter or junk is unloaded within the six-hour period, the compradore saves this amount daily.

There are six Moller & Co. steamers and one lighter, the Mabel Moller, in this service. Besides the steamers of this company there are 18 others flying Portuguese, German, Italian and British flags. About 20 junks and lighters are operaitng this run. The large steamers of Butterfield and Swire and Jardine Matheson and Company are reported less successful in this service. At times cargo destined for them has been detained or diverted in the small ports. These sampans and small river craft have developed a technique of their own. Due to the boom clearing operations of the Japanese they are not allowed to sail down the river. Consequently they circumvent the boom by a detour through the creeks and riverlets in the area. It has proved impossible to patrol all the creeks. The rivermen have developed an informal "river and creek" intelligence service. In this way many of them do get past the boom and transfer their cargoes to the foreign vessels for shipment to Shanghai.

Szechuen Government Issues Land Bonds

As its part payment of shares in the Chuan-Chien Railway Company, the owners of the Chengtu-Chungking Railway now in the course of construction, the Provincial Government of Szechuen have decided to issue debentures to the amount of $600,000, maturing within five years, for the payment of lands along the projected line which the government would reclaim on behalf of the railway company for construction purpose.

Central, W. China Industrialists Cooperate

In view of the unfavorable conditions in Honan province at present, when military operations are still in progress, industrialists there are moving westward, and it is understood that the Tien Fu Coal Mining Company and the Peh Chuan Railway Company, of Szechuen, are to take in the Chung Fuh Mining Company of Honan for developing Szechuen coal mines. The latter is to transfer its machinery and plant to this west China province. The combined capital will exceed $1,500,000.

Giant Monoplane Ends Test Flight

Completing four-day test flights, the "Wings of the Century," a giant monoplane built by the Aeronautical Research Institute of the Tokyo Imperial University, landed in Tachikawa April 25 on its way to Tokyo for tuning up. The tests, the pilots of the Yen 750,000 craft said, were "entirely successful." The builders of the craft claimed it could circumnavigate the globe with only three stops.

The Remains of Panchen Lama

The remains of the late Panchen Lama of Tibet who died in Chinghai last December, are now at Kantze, Sikang, where it is being well guarded by faithful followings of the Lama Order. Arrangements are being made to escort the remains back to Tibet to be finally entombed according to Buddhist order, while a search is being conducted for his recarnation, in accordance with beliefs of the Tibetans.

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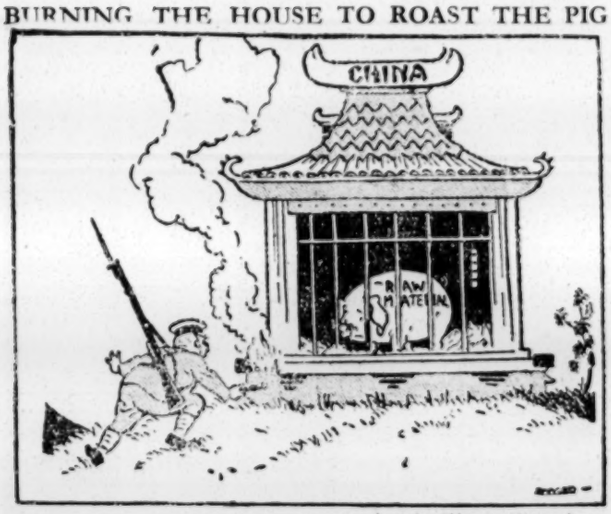
KEEPING MUSSOLINI FROM SHOOTING!

Orr in the Chicago Tribune

BURNING THE HOUSE TO ROAST THE PIG



Rodger in Glasgow Record

British comment on Japanese conquest in China.

TRAVELING INCOGNITO

Glasgow Record

Japan does not declare war on China.

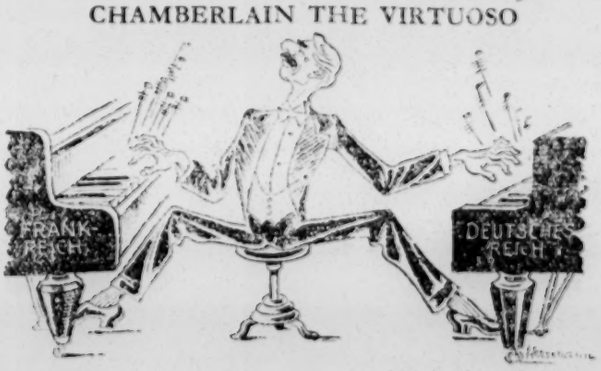
IN ENGLISH IT'S—SO WHAT?

Shoemaker in Chicago Daily News

GOOD FISHING?

Yomiuri, Tokyo.

CHAMBERLAIN THE VIRTUOSO



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N. W. Partisan Relief Committee Open Hongkong Office

The Northwest Partisan Relief Committee of Hankow, whose activities in the aid of China in the Sino-Japanese war have consisted of contributions of money for refugees, subsidizing of medical units at the front, funds for knitting yarn for sock and gloves, for special milk for the wounded and hospital supplies, recently released its report, covering the period between January, 1938 and April 6. Up until April 6, the committee had received contributions totaling $48,092.95 and had expended $44,836.60. Members of the Northwest relief committee are Frances B. Roots, Rolf Suess and Charles Higgins. The report said in part:

Apart from the financial contributions, the Committee has received great quantitions of medical and hospital supplies from the International Red Cross Committee of Central China, the last donation being complete equipment and supplies for a 100-bed hospital for the civilian population of Yenan, N. Shensi. In January this Red Cross group presented us with 25 large boxes of medical supplies, and small amounts at other times, these including cod-liver oil, catgut, splints, etc. In January Li Jui presented 1,000 pairs of gloves and 1,000 pairs of socks, while hundreds of women, both foreign and Chinese and both Christian and non-Christian, knitted hundreds of pairs of woolen gloves and socks, all of which were sent to the northwestern civilians and partisans. After a series of mass meetings from one of our members in Changsha, the audiences—chiefly workers, soldiers, students, some officers and officials—contributed all the money they had in their pockets, the gloves from their hands, Caps from their heads, and shawls from their necks. A group of Changsha professional men contributed six receiving and six mansmitting radio sets. At present the Hongkong branch of the National Women's Relief Association Committee is sending us great quantities of knitting yarn, and is collecting money from their associates for medical supplies. Also, the first contributions have arrived from Canada: these are nine big boxes of clothing for men, women and children. This latter contribution comes from the Canadian League for Peace and Democracy, which is also shipping medical supplies and more clothing.

With the coming of spring and summer, the northwestern civilian partisans can use rubber-soled shoes which can be bought in central and south China, so our committee will spend considerable effort in procuring shoes for them. Money for medical supplies, for hospital and other clothing, will alo be expended, and we will also send cash to the front. The men defending their families, their homes and their country require money to buy food and other necessities and their families are often homeless and hungry because the Japanese have burned or otherwise destroyed their homes, devastated their fields, looted their food supplies and left the land a waste.

Office in Hongkong

Contributions for the support of the Northwest Partisan Relief Committee can now be made through the newly organized China Defence League, in Hongkong. Checks, cash, or contributions of materials should be addressed as follows: The Secretary, The China Defence League, 130 Kennedy Road, Hongkong.

All support received will be acknowledged by the Secretary. Statements will be made public from time to time, by the Receiving Committee of the China Defence Leagues, but names will not be published if contributors express the wish to remain anonymous. The Receiving Commiee at prtesent consists of Madame Liaot Chung-kai, Madame Sun Yat-sen, Mrs. M. S. Lee Mr. M. C. Teng. The China Defence League is closely cooperating with the Northwest Partisan Relief Committee, the All-China Committee of which consists of Mr. T. V. Soong, Dr. Robert Lim of the Chinese Red Cross, Dr. B. Borcic, of the League of Nations Health Section, and others.

Money is especially needed, rather than materials, although the latter (clothing, medicines, surgical instruments, etc.) are heartily welcomed. But as medicines, bandages, splints, clothing and other necessities are available in Hankow for the present, and difficulties of transport face the Hongkong forwarding committee, money is most quickly translated into immediate relief.

Among other projects which the China Defence League and the Northwest Partisan Relief Committee are supporting is a factory for 600 disabled soldiers now being established at Yunyang, Shensi, near Sianfu. Here a cotton spinning and weaving plant is being assembled. A sum of $30,000 is urgently needed to buy machinery, secure raw materials, etc. The district government of Yunyang is directing this project, with the Committee's cooperation.

All funds sent from Shanghai to the China Defence League should preferably be taken to Hongkong by hand, rather than entrusted to the ordinary mails. A list of the articles needed (except winter were clothing) is indicated in the above report, which shows the Committee's purchases. Foreign membership in both the China Defence League and the Northwest Partisan Aid Committee guarantee that every cent contributed will be used exclusively for the relief purpose indicated.

The annual conference of the International Red Cross, a meeting of special interest and importance to China, will be held in London on June 20-24. It will be the 16th international meeting and according to report, there will be large delegations from the United States and other countries. China also is expected to send a delegation. The feature of the program will be the Red Cross in War, particularly civil war, and also in peacetime work. The Board of Governors of the League of Red Cross Societies will also meet in London on June 17-18-25.

British Labor Favors Anti-Japanese Boycott and United Front

The British National Council of Labor was urged to impose an embargo on Japanese goods, in union with the International Federation of Trade Unions, by the annual conference of the National Amalgamated Union of Shop Assistants, Warehousemen, and Clerks, held at Leeds, England on April 18. In addition to this action, the executive committee of the Amalgamated Union of Building Trade Workers adopted a resolution condemning Japanese aggression in China. The resolution declared, "The war of aggression which Japanese imperialism is waging on China, is accompanied by the systematic, barberous, and pitiless massacre of the Chinese civilian population."

The annual conference of the Independent Labor Party, held at Manchester on April 18, adopted a resolution approving of "popular front tactics." An amendment in favor of coalition with the Labor Party was adopted. It was said, however, that the incorporation of the I. L. P. into the Labor Party was not contemplated.

The conference, while defending the Soviet Union against imperialist aggression, severely condemned the Soviet Government for "either executing or exiling to Siberia, six thousand workers of the U. S. S. R." Fenner Brockway, secretary, said, "We decline to believe that there could have been a betrayal of Soviet Russia to the extent to which that figure represents."

The British Liberal National Youth League, at its annual conference in London on April 18, passed a resolution condemning Anglo-Italian accord on the ground that it "condoned the betrayal of Abyssinia and aids the degredation of the Spanish people." It was declared that the action contributed neither to world peace or the prestige of Britain.

Japanese Strangle British Trade

Lord Elibank, former president of the Federation of Chambers of Commerce of the British Empire, in the course of a letter published in the *London Times* on April 23, said that the British public does not realize the extent to which British trade has been "strangled by the Japanese Army's illegal occupancy of the northern and eastern parts of the International Settlement as a war base against the Chinese since last August."

Lord Elibank cited the refusal of the Japanese military authorities to permit the British street railway company to send its cars to the repair station in Yangtszepoo or to resume service in the eastern and northern areas. He also referred to Japanese assaults on foreigners and wholesale smuggling of Japanese goods. Finally he declared that "more might have been done to resist Japanese encroachments at Shanghai, such as the stationing of censors in the Post Office and cable offices and stationing of Japanese customs examiners on the public wharves. He said:

"It is hardly likely that the Japanese would have risked a clash with us if we had stood firmly for our rights." He said that if the Japanese sincerely wished to get on good terms with the British they should put an end to the "intolerable military intrusion at Shanghai."

A group of influential men and women, meeting in London on April 24, adopted resolutions against "international bullying" and violation of the Kellogg Peace Pact. The group included, Richard Acland, I.P., the Duchess of Atholl, N.P., Sir Norman Angell, Vyvyad Adams, M.P., Professor Ernest Barker, Professor J. D. Bernal, Lady Violet Bonham-Carter, E. F. Carritt, Professor George Catlin, Viscount Cecil of Cholwood, P. C., G.D.H. Cole, Lieut.-Com. R. Fletcher, M.P., G. T. Garratt, Viscountess Gladstone, Sir Daniel Hall, Lady Hall, Philip Inman, Lord Norder, Kenneth Ingram, J. M. Keynes, C.B., Ronold Kidd, Sir Walter Layton, the Master of Balliol, G. le M. Mander, M.P., Gilbert Murray, Hon. Earold Nicolson, M.P., Miss Eleanor Rathbone, M.P., Viscountess Rhondda, Wilfrid Roberts, M.P., Sir Malcolm Robertson, Wickham Steed, Arnold Toynbee, Col. J. C. Wedgwood, P.C., M.P., L. L. Whyte.

Anthony Eden, former British Foreign Secretary, who resigned his post because of the action of the Prime Minister, Neville Chamberlain, in opening negotiations and compromising with Mussolini on the Abyssinian and other issues, declared on April 22 that he would not accept any portfolio in the Cabinet so long as Chamberlain remained Premier.

The Women's Liberal Federation of England adopted a resolution appealing for unity among all groups "working for a reversal of British foreign policy."

Who's Who in China

孫義慈
Sun Yi-tzu

Sun Yi-tzu, Party affairs worker; born at Fenghua, Chekiang, 1896; graduate of Chungshan Institute, Canton; secretary, Chekiang Provincial Party Headquarters, Hangchow; special Party affairs commissioner to Ningpo and five other neighboring cities; instructor, Chekiang Provincial Party Officers' Training Institute; secretary and later general secretary, Compilation Bureau, Central Publicity Department; section chief, Central Publicity Department; author of a book on *San Min Chu I* (Dr. Sun Yat-sen's Three People's Principles); address; c/o Central Party Headquarters, Chungking, Szechuan.

Quarantine Station Re-established

The Shanghai Customs Quarantine Station is again functioning, the offices being located on the first floor of the Customs House. The station is in a position to attend to vaccination of crews and passengers of vessels and to the fumigation and disinfection of vessels and cargo.

Under temporary arrangements, patients suffering from infectious diseases will be removed from vessels to the Isolation Hospital of the Shanghai Municipal Council, where foreign patients will be charged $9 per day and Chinese $1.50 per day. All vessels arriving from foreign ports, including Hongkong and Dairen, are subject to medical inspection by an officer of the station, it was stated. Coastal vessels which have not touched at foreign ports are not subject to this examination, but those which arrive from China coast ports declared infected or suspected, or have during the voyage a case of sickness or death on board, are subject to medical examination.

In future, all vessels subject to medical inspection must hoist the International Signal Code Flag "Q" on entering the harbor and proceed at the slowest speed compatible with keeping the vessel under control. Both ocean-going and coastal vessels will, if possible, be boarded by station officers while under way in order to save time. If for any reason this is not possible, they will be permitted to proceed to their allotted berths, but will not be allowed to have communication with the shore or other craft, or to disembark passengers or crew, until visited by the quarantine officers and granted pratique.

Local shipping agents were requested to notify as early as possible the quarantine station and Harbor Office of the expected arrival of their vessels and details as to time and berth, etc., and to arrange that their vessels notify them by wireless of any disease or death occurring on board after the last port had been left. The usual hours of medical inspection, it was stated, are from sunrise to sunset, but vessels arriving at other times may be also inspected if their agents make the necessary arrangements beforehand. For vaccination, quarantine officers will charge $1 per capita, and the inspection of vessels between the hours of sunset and sunrise will be charged $35. Charges for fumigation and disinfection remain until further notice the same as notified in the Quarantine Regulations of the National Quarantine Service, 1931.

China Buying Arms from Germany and Italy

The situation in China is considered in Berlin as serious though not desperate, the *Manchester Guardian* correspondent in the German capital reported last week. "There is no sign of any weakening of China's resistance, and it is believed here that there can be no question of peace for a long time to come," he added. "Most of the war material that reaches China is German or Italian. Sixty per cent of the arms that pass through Hongkong for China are of German origin, and twenty five per cent of Italian origin. The Chinese have received some war material from Soviet Russia," he continued, "but it has proved to be of inferior quality."

"There is some uneasiness in Berlin over the difficulty in which the Japanese are finding themselves. Although Germany has supplied China with arms she is not regarded as a friend by the Chinese, so that her own position in China where she has great trading interests is not a good one. She is also a little uneasy because as the war drags on it will become more difficult for Japan, and Russia will have time to recuperate."

PAINTS AND PAINT WORK
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"I dread the next few years", says many a woman who has reached her forties. The upheaval of health that besets a woman at this period of life betrays itself in many ways, one of the many distressing symptoms being attacks of dizziness which may come on at any time. Others are acute depression, vague fears, severe backaches, headaches, digestive weakness, a general sense of enfeeblement and inefficiency.

The best help any woman of middle age can have is a course of Dr. Williams' Pink Pills. These pills enrich the blood, create good new blood nourishing the starved and over-wrought nerves, and by their strengthening influence on the whole system they enable a woman to pass through the trying years of middle age tranquilly and without suffering. The case of Mrs. M. T. Wilde, of 27 Northland Road, Moseley, Birmingham, is just one of thousands proving this.

"I am forty-six years of age, and some time ago I began to experience the sufferings that affect so many woman at middle life", states Mrs. Wilde. "I had severe fits of depression, suffered from terrible headaches and could not sleep at night. I always felt unhappy and miserable.

"After being in this state for several months a friend advised me to try Dr. Williams' Pink Pills and I had not been taking the pills long before I felt brighter and more cheerful. I was able to sleep well at night and the headaches ceased. As I continued with the pills, they put more life into me. Now I am like a new woman."

Equally good for both sexes, old, middle-aged and young, Dr. Williams' Pink Pills by their powerful tonic action on the whole system through the blood banish weakness and ill-health. Try them yourself, you will not be disappointed. Obtainable from chemists everywhere.

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Men and Events

Morito Morishima, recently appointed councillor of the Japanese Embassy, has arrived in Shanghai.

Mrs. Earl A. Selle, of Seattle, Wash., wife of a staff member of the *China Weekly Review*, arrived in Shanghai last week.

A party of Filipino and Chinese newspapermen from Manila which has been inspecting the results of Japanese air-bombings in Canton and vicinity, departed for Hankow by train on April 22.

Dr. H. C. Mei, attorney, is planning to depart in May on a trip to the United States where he will meet Mrs. Mei and their children who are visiting relatives in San Francisco and New York.

Miss Harriet McCloskey, formerly a resident of Shanghai, but now proprietor of an Oriental art shop in Salt Lake City, is now in Shanghai on a business trip. She is staying at the Palace Hotel.

Genady Ushakoff, a White Russian, convicted of illegal possession of explosives and firearms, received a sentence of three years and six months in the First Special District Court on Saturday, April 23. Ushakoff was suspected of manufacturing bombs for gangsters.

The British Universities' Society was scheduled to hold its annual meeting and dinner on Thursday evening of this week in the Sky Terrace, Park Hotel. The organization was formed in 1936 and includes in its membership representatives of 23 British universities. Chinese graduates of British schools are also eligible for membership in the organization.

Miss Lily Atkinson, well known missionary of Hangchow, who died last week, was buried at Hungjao Road cemetery on Saturday, April 23. The services were conducted by the Rev. E. J. Ottewell. The coffin was borne to the grave by Rev. Robert Fitch, Duncan Main, E. Turner, K. Van Evera, Rev. S. Glanville and H. Bourne.

Miss Constance Coushnir, daughter of Mr. and Mrs. I. S. Coushnir of Shanghai, but now residents of Los Angeles, was a guest of honor at a gala Chinese benefit dance held in Hollywood on March 6 last. The function was sponsored by the Motion Picture Artists and Miss Anna May Wong, also well known in Shanghai, was hostess.

The Soviet Consulate-General at Shanghai announced on Monday of this week that visas for travel to Europe by Trans-Siberian Railway would again be issued. The sudden discontinuance of visas several days ago created considerable anxiety in Shanghai as to whether a number of travelers enroute had been able to cross the border at Manchouli.

Mrs. Kumaichi Horiguchi, wife of the former Japanese Minister to Spain, died in Tokyo on April 15 at the age of 70. Mrs. Horiguchi, who was a native of Brussels, was married to Mr. Horiguchi 40 years ago. In addition to the husband in Tokyo, Mrs. Horiguchi is survived by her son, Robert Horiguchi of *Domei* service, Shanghai.

The Japanese authorities have sent a large number of unemployed fishermen to work Japanese iron mines located at Dunggun, Trengganu, Straits Settlements, in place of Indian and Chinese coolies who walked out in protest against Japanese aggression in China. The Japanese fishermen were thrown out of work because of the Chinese boycott of Japanese goods.

The U. S. Court for China on April 22, refused to permit the Deutsche-Asiatische Bank to obtain possession of the sum of $2,500 deposited in the Chase Bank to the account of the American firm of I. Shainin and Company, now in bankruptsy. The Court ruled that the money would have to be used for the benefit of all creditors as the German bank did not have priority rights.

Capt. John Taylor Kinley, member of the Shanghai Licensed Pilots Association, died at the Country Hospital on Monday, April 25, at the age of 50. Capt. Kinley was born at Port St. Mary, Isle of Man. He once served as captain with the American Pacific Mail Steamship line. He is survived by Mrs. Kinley and a brother, who is connected with the Canadian Pacific Steamship Company.

A German woman, Miss Lillie Abegg, correspondent for the *Frankfurter Zeitung*, now in Tokyo, experienced complications as a result of an article she contributed to an English language newspaper in Tokyo which praised the Chinese and criticized the Japanese for their activities in China. Miss Abegg also stated in the article that she intended shortly to proceed to Hankow. According to the *Asahi*, Miss Abegg was placed under surveillance and the Foreign Office planned to warn her about expressing her views.

All books by Thomas Hardy and James Joyce have been banned from sale in Japan by the Provisional Textbook Inquiry Commission, which is headed by Count Hirotaro Hayashi. Books by Hardy and Joyce were banned because they were "too erotic." Tow other volumes on Chinese literature were also banned. Others prohibited include John Stuart Mill's "On Liberty;" Bertrand Russell, "Roads to Freedom;" Gissing's "Private Papers of Henry Ryecroft;" the essays of Aldous Huxley. All text and reference books throughout the country are being "examined in accordance with the accepted concept of the times," according to the *Miyako Shimbun*, April 20.

The Municipal Council of the International Settlement published in the issue of the *Municipal Gazette* on April 22, a copy of a letter sent to Mrs. A. Brooke Smith, expressing the Council's deep regret at the death of A. Brooke Smith, who resided in Shanghai for many years and served on the Council on several occasions. The Council also expressed its deep regret at the deaths of Dr. Herman Liu and Harold Porter.

Considerable anxiety was felt in Shanghai regarding the safety of two Germans, Fritz Kilcker and H. Klickenstein, German coal mining engineers who were connected with the Chinese Chung Hsing Coal Mines, located at Tsaochwang, Shantung. The two Germans remained at the property, in order to protect the machinery, after the Chinese had fled prior to the invasion of the Japanese Army.

Two Chinese papers, *Ta Mei Wan Pao* and *Wen Hui Pao*, alleged that there have been many suicides among the Japanese troops. It was claimed that 14 soldiers had hanged themselves near Chiaotung University, off Avenue Haig, due to homesickness and the fact they were tired of the war. The other report stated that there had also been several sensational suicides among Japanese soldiers at Soochow, including 15 officers who had swallowed poison. The cause given was "abhorrence of war."

The first large funeral procession to be held in Shanghai since the beginning of theSino-Japanese crisis was held along Avenue Edward VII and Ave. Foch on Saturday, April 23. The funeral was that of Mrs. Loh Lien-kwei, wife of Detective Superintendent, Loh Lien-kwei, of the Shanghai Municipal Police. The procession was about a mile long. Burial was at Ping Kiang Kung Sao at Tatung Road. Several thousand people lined the route of the procession.

The 13th shareholders meeting of the Ming Sung Industrial Company, Ltd., was held in Chungking on Tuesday, April 19. It was announced that the profits in 1937 amounted to $350,000. The Board of Directors elected, included T. V. Soong, chairman of the Board of Directors of the Bank of China; Chang Kia-ngau, Minister of Communications; Chou Tso-min, President of the Kincheng Banking Corporation; Tu Yueh-sheng, President of the Chung Wei Bank.

Gamblers and assistants to the number of 58 were arrested on Friday evening of last week in one of the largest gambling raids ever conducted in the Settlement. The gambling house was located in a 3-story building at 470 Yu Yuen Road and was known as the Asia Amusement Club. The establishment was operated by a Japanese, who, with his assistant, also Japanese, was handed over to the Japanese authorities. Paraphernalia seized included roulette wheels, cards. Most of those arrested were Chinese.

Dr. Ernest Schaefer, German explorer who has specialized on Tibet, will lead another expedition into that country shortly. The party will proceed through India to Assam and thence to the Mishmi hills. Dr. Schaefer's purpose is to investigate the territories of Eastern Himalaya and Tibet . He will be accompanied by Dr. Karl Wienert, goegrapher; Bruno Beger, anthropologist; Ernst Krause, entomologist and film operator; Edmund Geer, technical manager. They will spend about two years on the trip.

Prof. Raymond E. Burnes has been appointed Principal of the Shanghai American School in succession to Dr. Henry H. Welles, who has resigned in order to return to his home in the United States. Dr. Welles had been head of the school for four years. Prof. Burnes was graduated from Taft School, Watertown, Conn., and from Princeton University, where he specialized in history. Later he did post graduate work at Columbia, specializing in political science and remedial methods at the Columbia Medical Center. Prof. Burnes was born at Stamford, Conn. His mother, Mrs. R. E. Burnes resided in Shanghai for two years and was active in the American Women's Club.

Bridge Building Progressing

In order to strengthen the rear, the military authorities in west China have been improving and reinforcing the bridges along the Szechuen-Hunan and the Szechuen Kweichow Highways; and according to latest reports, the larger ten bridges are now well on the way to completion and will be completed in the next two or three months. At the same time, the highways from Wanhsien and other Szechuen towns to Hupeh are also being repaired or extended so as to expedite the communications between the two provinces.

Pishan Silk Crops to Have Good Season

By using improved eggs, the silk producers in Pishan, not far from Chungking, are expecting better crops this coming season. It may be recalled that in recent years, the silk industry in that district dropped off, partly due to bad quality of the silk and partly on account of the depressed foreign markets.

Szechuen Company Stocks Considered Good

Capital stocks issued by the Chungking Electricity Supply Company, the Szechuen Cement Works, and the Chungking Water Works have been considered secure and will be acceptable by the national banks of China for loans. It is reported that the national banks, including the Bank of China, the Bank of Central China, and the China Farmers Bank, would extend loans to these concerns up to $3,400,000 on the assets.

China Shows Export Excess in Last Four Months

According to the Shanghai Commercial and Savings Bank, China had an excess of exports over imports in the last four months of 1937, amounting to $53,600,000. Import in the last six months of 1937 totalled $347,371,000, showing a decrease of 43 per cent when compared with the first half year of 1937. Exports in the period amounted to $355,397,000 a decrease of 26 per cent when compared with the first half year. Japan's export to China in the period decreased by 32 per cent when compared with her total exports to this country in the first half year of 9137. Before the war Japan occupied the second place in China's foreign trade, but in the latter part of 1937, she dropped to the fifth place.

Peiping Exchange Rules

Moving to forestall currency difficulties consequent upon the drop of the Chinese dollar on the Shanghai market, officials of the "Federal Reserve Bank" in Peiping have draw up a set of rules for the exchange of certain banknotes at a devaluated level. The bank originally had announced that it would exchange Chinese legal tender notes for its own currency at par during a period of three months beginning March 14. Disqualified for exchange at par will be all the notes of the Central Bank of China and notes of the Banks of China and Communications, placed in circulation south North China imprints will be eligible for exchange at par.

New Tariff Schedule

The "Provisional Government of China" is planning to put into effect a second revised tariff schedule by the middle of May. Revisions of the tariffs are designed to assist the co-prosperity of Japan, Manchukuo and China in industrial and economic development and to improve foreign trade, officials of the Government told *Domei*. In carrying out the tariff revision the Government will respect fully the vested rights of foreign Powers," they aid. A new tariff schedule is expected to improve the administration of the Maritime Customs, the officials stated.

Legal Tender Seized Here

Legal tender notes exceeding $100,000 in value have been seized by the Customs recently in Shanghai. It is reported that these legal tender notes were sent here from Tientsin without official permits from the Chinese Government. The Customs is not expected to confiscate the notes but will make a thorough investigation as regard to the ownership of the notes and the purpose of sending them to Shanghai.

New Russian Daily Planned

A fourth Russian daily newspaper will shortly make an appearance with the inauguration of the "Shanghai Rooper." owned and edited by J. L. Miller, whose 30-year journalistic experience in the Far East gives him the distinction of being the oldest emigre newspaperman in these parts. The new publication, with its offices at 1017 Avenue Joffre, will not appear as a daily until next month, but as from April 19, weekly issues will be printed to acquaint the public with the imminent birth of the paper in its daily form. "Shanghai Rooper" is to be an independent daily, devoted to the life and activities of White Russians in Shanghai.

Large Export Company to Be Organized

In view of limited transportation facilities during wartime from Szechuen to outports, particularly Hongkong and Haiphong, it is being feared that there would be too much competition, an intensifying of which would work to disadvantage for all. As a remedy, some enterprising merchants have come out with a suggestion to pool the different interests with the organization of a large company, say of $1,000,000, open to subscription to all those engaged in shipping, on commission business, or in production both direct and indirect.

Spring Planting in Progress

More than 60 percent of the inmates in the Chungking poor house have in the last few weeks been discharged on their own applications so that they may return to their country districts to seek for work as farm hands. According to reports from the districts, the coming harvest will be hopeful. In order not to interfere with the spring planting and harvest, it has been arranged that the training of able-bodied citizens for civic and military service be postponed in districts where many had to remain with their farms for the time being.

Millions of people all over the world wear

Bata

Shoes

ARE YOU LETTING YOUR FIGURE GO?

Why is it that after middle age some people go 'all out' in the matter of their figure whilst others remain slim, limber and youthful-looking?

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It is because they dispel constipation and restore daily regularity that Pinkettes are so useful to help keep the figure in restraint. At the same time they aid the liver, stimulate digestion, banish biliousness and sick headaches, clear the skin of pimples and blotches, correct bad breath, ensure the bright eyes and cheery spirits of good health. Of chemists everywhere—Pinkettes, laxative perfection.

In the United States Court for China

WILLIAM OSCAR HEGAMIN, Plaintiff, vs. LUCILLE OPHELIA HEGAMIN, Defendant.	Cause No. 4322 Civil No. 2201 ORDER Filed at Shanghai, China, 23rd, April, 1938. William T. Collins, Clerk.

The object of this suit is an action for divorce.

WHEREAS, plaintiff herein, by his attorneys, has this 23rd day of April, 1938, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 23rd day of April, 1938, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 22nd day of April, 1938, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China, nor has she resided therein at any time, and that defendant's last known address was 129th Street between 7th and 8th Avenues, New York City, N.Y., U.S.A.

NOW, THEREFORE, it is this 23rd day of April, 1938, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the "China Weekly Review", a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 14th day of May, 1938, the day of last publication of this Order; otherwise the case will be proceed with as in case of default.

BY THE COURT:

Dated at Shanghai, China,

this 23rd day of April, 1938.

MILTON J. HELMICK,
Judge.

New Books of Interest in the Far East

Carl Crow and Confucius

Master Kung. The Story of Confucius. By Carl Crow. Published by Hamish Hamilton, London. 1937.

Carl Crow, for many years one of Shanghai's outstanding advertising men and recently the author of the very successful book "Four Hundred Million Customers," has written another popular book on a Chinese subject. In view of the great number of books which appear on China and on Chinese subjects, it is an achievement to put out one which is really popular and successful, but Mr. Crow appears to have done it a second time. Though a wholly different book from "Four Hundred Million Customers," the story of "Master Kung" is appealing in somewhat the same way. The Chinese are neither mysterious nor inscrutable, romantic nor monstrous, in the manner in which they have so often been portrayed. They are ordinary, friendly human beings, much the same as humans the world over, and with only such local or national idiosynacracies as may be attributed to various other peoples as well. It is this essential sanity of viewpoint which has made Mr. Crow's writings popular and readable.

Mr. Crow prefaces his book with the words: "All the world has heard of the great Chinese sage Confucius but few know of Master Kung though the two characters are embodied in the same person. Master Kung is the sincere, lovable, entirely human scholar and gentleman who was born in the sixth century before Christ, lived a blameless life, suffered more disillusionments and disappointments than usually fall to the lot of men and died feeling that his life had been a failure." It is this person whom Mr. Crow portrays. The book is illustrated with a number of excellent copies of stone engravings, depicting incidents in the life of Confucius, from the great Confucian temple at Chufu, Shantung.

The book is not written for scholars, and Mr. Crow indeed notes that "orthodox Confucian scholars may find in this book some reasons for disagreement." It should be remarked, however, that nothing is really known about Confucius' paternity; the commonly accepted story, well presented by Mr. Crow, is supposed to have been told to Confucius by an old nurse after his mother's death. (It should also be remarked that there is no great mystery about the origin of the Chinese, whose linguistic relations with other peoples of southeastern Asia are very clear.) Mr. Lin Yu-tang's remarks on Confucius' visit to "Nancy" differ somewhat from Mr. Crow's, and the various literary works commonly attributed to Confucius are generally rejected by modern Chinese scholarship; there seems to have been no private publishing of books whatsoever in his day, and all the "Confucian classics" belong to a much later date. Confucius' real distinction, according to the outstanding Chinese philosopher of today, Dr. Fung Yu-lan, was that he was the first professional teacher, the founder and patron of the scholar-politician class, "capable of engaging in only two kinds of activity: that of holding governmental office and that of teaching." Confucius taught "everyone who would pay for tuition, without personal questions about them or their families." With regard to his attitude towards politics, we may believe the *Lun Yu* when Confucius declares through his pupil Tzu Lu, to an honest and educated hermit who refuses to dirty his hands with politics, that "It is not right to refuse to serve in office . . . . The Superior Man tries to go into office . . . . even though he is well aware that his principles cannot prevail."

Mr. Crow's book, however, probably comes nearer to the common Chinese understanding of Confucius than does the presentation given by critical historians today. The reader, therefore, will not be getting an "un-Chinese" version of the Master and his work, but simply a traditional and somewhat idealized version. The student, of course, will for his purposes have to look to books written by scholars for the use of scholars,—such works as Dr. Fung's recent "History of Chinese Philosophy." Mr. Crow's book does not claim to be this. It is simply a readable and enjoyable presentation of Confucius' life and times, with no great pretense to scholarly accuracy. Advertising men may say that Carl has "put over" Confucius quite successfully.

The author, by the way, has an original note on the Mongolian eye: The ancients "braved the sun with brimless caps which gave them no protection from its rays. They squinted to keep the sun out of their eyes and that possibly is the origin of the permanent squint which is a Chinese facial characteristic." We strongly suspect that Carl will be back here soon advertising a new line of hats guaranteed to "cure" the Chinese "squint."

H. H.

Jew Who Became a Christian Bishop

Apostle of China, by James Arthur Muller. Morehouse-Gorman Co., Milwaukee, Wisconsin. 280 pages, illus. $2.50.

Samuel Isaac Joseph Schereschewsky was born of Jewish parentage in Lithuania, May 6, 1831. He became interested in Christianity while studying in the Rabbinical School at Zhitomir. After two years in the University of Breslau he emigrated to America, where he became a Christian, being baptised by immersion. He entered a Presbyterian theological seminary, withdraw to study for the ministry of the Episcopal Church in the General Theological Seminary, New York. In 1859 he was ordained deacon by the first Bishop Boone of China, and sailed immediately for missionary work in China.

On the way to China the new recruit, already a scholar in several languages, studied Shanghai colloquial, Mandarin, and Wenli or classical. Later in life, when he was translating the Bible into Wenli a friend asked him how many languages he spoke. "Thirteen," said the Bishop. "And how many do you read?" "Twenty," said the Bishop.

Dr. Muller has written a biography of this intellectual giant which reads like a dramatic masterpiece. It seems hardly possible that this Lithuanian Jew who became a Christian Bishop in China could have found the time and energy to accomplish the things he did, yet there are the visible results to see in China today.

There are so many high points in *Apostle of China* it is difficult to point out the most illuminating. In 1861 Mr. Schereschewsky went along with two British naval officers on a memorable trip up the Yangtze as interpreter. They reached Pingshan, 1800 miles from Shanghai, after many exciting adventures and contacts. He went to Peking to begin to translate the Bible and Prayer Book into Chinese and at the same time acted as interpreter and Secretary of the American Legation. In less than ten years, during which time he had paid a visit to the Jews of Kaifeng, walked from Peking to the Yangtze at Nanking among other things, he translated and published the Prayer Book and New Testament and Old Testament in Mandarin.

He started to walk to Shanghai because he heard a new young lady was joining the Mission staff, and decided she was to be his wife. Two weeks after they met their engagement was announced in less than three months they were married.

After twice declining the bishopric, he finally accepted, and on October 31, 1877 he was consecrated Bishop of China. While in America at this time he conducted a strenuous campaign for funds for the endowment of a college in China. After many setbacks he was finally able, in 1879, to buy "Jessfield Farm" as the site of St. John's College, which he opened on September 1, 1879, by combining the two existing boys' schools into the College. Two of the illustrations in the book are of Schereschewsky Hall, St. John's University, and the memorial arch erected at the 50th. anniversary of the founding of the institution.

In 1881, in Wuchang, Bishop Schereschewsky suffered a sunstroke from which he never recovered. He was able to use one finger of his right hand, and with that one finger he revised the Mandarin Old Testament and translated the entire Bible into easy Wenli! How? He got a typewriter, and laboriously, nine hours a day at least pounded out letter after letter with that one usable finger. When the finger got too exhausted (it was heavily calloused) he was able to grasp a small stick in his fist and continue to pound out his translation letter by letter. Living in various uncomfortable rooms in and around New York and Boston he struggled to complete this gigantic task against impossible odds. After much pleading he was allowed to return to China to secure Chinese writers. After two years in Shanghai he went to Tokyo, where the climate was better for him, taking his Chinese secretaries along. When he died in Tokyo on October 15, 1906, he had completed the work on his Reference Bibles in Mandrain and easy Wenli. Most of Bishop Schereschewsky's translations were published by the American Bible Society, and many of them have never been surpassed by modern attempts. His reference Bibles are still the only reference Bibles in Chinese. Various sinologues in recent years have insisted the Schereschewsky translations have no rival.

Whether one is interested in Christianity of Missions, if one would read of prodigious tasks accomplished in the face of overwhelming obstacles and physical handicaps; and of the dreams of a man to afford modern education to Chinese youth, one cannot but be fascinated by Dr. Muller's APOSTLE OF CHINA.

M. V.

Japanese Arrest 71 Chinese and Japanese on Espionage Charges

A report published in the *Yomiuri Shimbun*, April 14, stated that 71 Chinese residing in Japan, "and also some erring Japanese" had been arrested and jailed on charges of espionage. It said that most of the Chinese had been misled by Gen. Chiang Kai-shek's "broadcast fable." Among the Chinese arrested were Tsien Yai, famous in Japan as an engraver of seals. He was sent to jail along with 19 others while 23 Chinese were deported for displaying their patriotism. Another Chinese, Kwang Tung-yuan, well known restauranteur, was sentenced to six months in jail and fourteen others received a similar fate. They will be deported when they have completed their terms and all probably will lose their property in Japan. The report stated that Tsien Yai's offense was aggravated because he beat up the police inspector who examined him.

The name of only one Japanese, sent to jail on espionage charges, was given. Jinji Kobori, essayist and member of the committee of the Proletarian Party, previously farmer-labor.

Hankow to Issue Three 'Gold Bonds' May 1

In addition to the C$500,000,000 national defense bonds to be issued on May 1, the Chinese Government has decided to issue, on the same day, 100,000,000 Customs Gold Unit bonds, $10,000,000 bonds, and U.S.$50,000,000 bonds, all three to be known as "Gold Bonds." The Gold Bonds are being issued for the purpose of absorbing gold, foreign currencies, and foreign shares and bonds. The Bonds will be secured on the surplus of the sale revenues. Subscribers may choose any of the three categories. The principal and interest are to be redeemed within 15 years, with an annual interest of five per cent. The principal and interest are to be paid in Customs Gold Units, sterling or gold dollars, respectively. Persons who subscribe with foreign shares and bonds may exchange them for sterling or gold dollar bonds at the market value of their stock.

Bank Extend Credits to Hunan, Kwangsi Farmers

The request of the Hunan Provincial Government for a loan of $1,000,000 to be used as credits for the farmers in West Hunan has been accepted by the Farmers' Bank, according to Shanghai financial circles. Chiang Tze-shin, director of rural extension despartment of the Farmers' Bank in Changsha will have full charge of the money, which is to be lent to the farmers' co-operative societies for the purchase of cows. According to the present plan, each member of a society is allowed to borrow not more than thirty dollars.

The Bank of China opened a branch office at Wuchow in Kwangsi Province on March 26. Another office of the bank will be opened at Liuchow in Kwangsi to extend credits amounting to $1,000,000 to the farmers in the province.

Legal Tender Notes Demanded in North China

In the week ending April 2, according to reports received here from Tientsin, the three Chinese Government banks in North China issued $14,456,200 legal tender notes. It shows that the legal tender notes are demanded in large sums in North China. The amounts of legal tender notes issued by the various banks are:

Central Bank of China	$ 36,106,255
Bank of China	164,975,700
Bank of Communications	78,560,000
Joint Savings Bank	1,500,000
China Industrial Bank	1,750,000
China Industrial & Agricultural Bank	1,500,000
China Land Bank	90,000
National Commercial Bank	20,000
Ta Chung Bank	560,000
Hopei Provincial Bank	50,000,000
Frontier Bank	50,000
Peiyang Pao Shang Bank	3,000,000
Total (April 2, 1938)	$338,111,955
Total (March 26, 1938)	323,655,795

Tokyo "Brides' School" So Send Graduates to China

The heavy hand of the "China Incident" has finally fallen upon the famed "School for Brides" in Tokyo. Mrs. Yukiko Adachi, principal, has announced a drastic revision of the institution's curriculum. Henceforth, the announcement said, the school will aim to train young women for a marital career in China, where many an adventurous man will go to settle and to make his fortune. Emphasis in the future will be placed on an elucidation of Japan's national policy.

In terms of school work, the new change will mean less cooking and tea ceremony and more international relations, social problems an a thorough study of the current events. Instead of the present six months, the prospective brides will spend a year in the institution, culminating with a tour of Manchukuo and North China, "to acquaint the girls with the geography and living conditions in the land where they are to make their future home." The School, with the Government's financial assistance, will also offer special courses to young women ready to marry war invalids.

Of the 180 young women trained by the school thus far, every one has found a mate. In explaining the change in the institution's curriculum, Mrs. Adachi, wife of a noted politician, declared: "The women who go to China as brides have just as important a mission to accomplion as their husbands. Therefore, they should be better equipped and we should end as much as possible the indiscriminate selection of girls for marriage carreres in China."

Anglo-Chinese Military Alliance Reported

Regarding the southwestern provinces of China, an Anglo-Chinese military alliance has been concluded as a result of the present visit to Hankow and Chungking by the British Ambassador, Sir Archibald Kerr, according to Japanese circles. It is also reported that France will participate in this alliance and that the French Ambassador to China has gone to Hankow to call on the Chinese officials.

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Relief Commission Shows Good Progress in Rural Districts

The 1937 report of the China International Famine Relief Commission was made public by Dr. J. E. Baker, executive secretary of the organization, in the April 1 issue of the *C.I.F.R.C. News Bulletin*. The report said in part:

Weather conditions late in 1936 left a drought situation in western Honan and northern Szechwan. It is a pleasure to record that the government, both national and provincial, quickly came to the aid of these sections. This aid took two main forms: loans by the farm Credit Bureau, and direct relief under the auspices of the National Relief Commission. Since the provisions for western Honan appeared to be fairly adequate and a pressing invitation was received from Szechwan, the Executive Secretary made a flying visit to the latter province in April, and shortly after the Biennial Meeting, proceeded overland to Szechwan for a more protracted stay.

Engineering Work

During the April visit, it was discovered that provincial and other funds in large amounts were available for construction work. The principal need was for organization of famine labor in such a manner that the use of the construction funds would give relief to those in need. Especially, the construction of the railway roadbed between Chungking and Chengtu offered large scope for employment of ordinary refugee labor. While the negotiations for carrying on this work were in process, the Salt Administration made a proposition for the repair and construction of highways in the Santai district and appropriated $500,000 for the purpose. The proposal was accepted, our engineers were transferred to Szechwan, and work was begun almost immediately. In the meantime, copious rains over the Chengtu-Chungking route so changed the situation in that region that railway construction was deferred until the autumn months. But by that time the war in north China and Shanghai had begun, with the result that the matter was dropped entirely. The highway work above mentioned was also curtailed to half the original proportions.

The experience, however, was not without valuable results In addition to 22 km. of highway construction and 270 km. of highway repair which gave temporary employment to 245,000 of the most needy, a strong committee for Szechwan was formed and a three-fold objective adopted: 1. a semi annual crop report system to indicate regions of probable need; 2. employment of a permanent engineering force to prepare plans for labor relief in needy regions and at other times to foster famine preventive projects; and 3. the development of an emergency reserve fund. Szechwan has an area and a population similar to those of France. If organized to handle its own famine problems in this manner, it would mean a very considerable reduction in the potential famine map.

Rural Improvement Work

Up to the outbreak of hostilities in July, the Rural Improvement Department continued its regular program. A total of 2,421 co-operation societies with 69,595 members holding $199,196.00 in shares was under the Commission's direction in Hopei province up to the end of 1937. Increase was shown in the number of societies organized and members enrolled, and the amount of local receipts among the recognized societies in the form of savings, deposits and reserves. In the 81 *hsien* (or counties) coming under the Commission's sphere of activities, 44 *hsien* unions with a membership of 1,684 and 63 *chu* (or district) unions with a membership of 672 societies were in existence. During the period covered by this report, loans amounting to $27,999.00 were issued, while repayments totalled $56,720,00. Of the total of loans outstanding ($115,929.00), $54,037.00 represented funds from four commercial banks that have been participating in the co-operative work of the Commission. The following shows the status of loans to societies since the start:

Status	*No. of Loans*	*Amount*
Not yet due	172	$ 62,749.00
Loans due	121	53,180.00
Loans repaid	1,412	708,630.00
		$824,559.00

It seemed that the time had come for the Commission to yield the routine work of direction and organization of societies to government and other institutions, and confine its attention and energies to carrying on experimentation in other phases of co-operation. The transfer of the direction of societies to competent agencies during the year was continued, and a further 24 societies in two *hsien* were turned over to the North China Rural Co-operation Commission. This department also has charge of collection of principal and interest on Well-Digging Loans and Dyke Loans, figures of which are shown in the Accounting Statements. But the war in north China has made it impossible to carry on organizational or even collection activities. The cessation of active military operations in that region has not resulted in any appreciable improvement on account of the almost total neglect of policing by the army of occupation.

Publicity Work

One of the avowed purposes of the reorganization of the Head Office was to make the C.I.F.R.C. self-supporting in China. It was intended to develop a nation-wide technique of support, similar to that of the American Red Cross. As the first step, the name of the Income Production Department was changed to Publicity Department. Next, additional to Shanghai, campaigns were planned for a half dozen cities as part of a program eventually to cover the whole country. During April and June, campaigns were put on in Nanking and Hsuchowfu where local committees for annual repeat compaigns were set up with encouraging results. Overseas and foreign connections, however, were not neglected. During the months of July and August, the Head of the Publicity Department visited Hawaii where his efforts resulted in the formation of a permanent China Famine Relief Committee and the collection of $16,137.79 which by a later remittance brought the total to $23,137.79. The practicability of this policy of developing financial support for the work of the C.I.F.R.C. amongst an increasing number of regular contributors is indicated by the following table showing by months the campaign returns obtained:

January, $4,367; February, $1,681; March, $6,428; April, $9,805; May, $6,276; June, $15,379; July, $15,379; August, $25,011* September, $3,445.

This amount includes $7,000 received in October as a result of August campaign.

Nearly all of this financial and cultivation work was stopped shortly after war broke out, so far as the C.I.F.R.C. was concerned. Full resumption of our campaign efforts probably will have to be deferred until peace is restored.

War Relief

The last quarter of the year has been given almost entirely to war relief, although the Engineering Department, a Rural Improvement Department representative, an accountant, and a representative of the Publicity Department remain at work in Szechwan on request.

The Relief and Prevention Account probably requires little comment, beyond apprehension already expressed that no income may be expected from campaigns of from further collection of loans until the war is over. Of the $61,000 received for War Relief, $50,000 came from contributions transmitted by the Chinese Embassy at Washington and $10,000 from the American Advisory Committee. The hundreds of thousands administered for the Shanghai International Red Cross and for the Salt Administration in Szechwan have not passed through the accounts of the Commission. Under the Balance sheet it should be noted that the Supplementary Endowment has been extinguished. On order of the Executive Committee, $100,000 of this Fund was added to the Permanent Endowment and the remainder transferred to a Cont tingent Fund, to be drawn upon as directed by the Executive Committee.

Are You In A Rut?

Do you often feel that you are just one of a crowd and that there is no hope of your ever being a person of any consequence? Do you sometimes wonder what is the secret of other people's success in life? Attributing it to luck or inherited superioriy of brain-power will bring little satisfaction, for if you think it out you will know yourself that there is a more cogent reason.

Behind the superior driving force of most of the successful people of the world there lies the primarily essential basis of vigorous good health. And this, in turn, rests upon the continuous maintenance of a plentiful supply of pure rich blood. Even though you may not actually suffer from ill-health it is because your blood is below par that you lack that little extra driving power that would enable you to climb into a better and more commanding position.

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A HELPING HAND NEEDS A HELPING HAND

From the time of its inauguration last October to April 9th this year, the Shanghai International Red Cross has among other things allocated and spent $1,011,047 for caring of refugees, $168,308 for medical aid and supplies, $164,295 for work among wounded soldiers and $22,500 for relief work in Nanking. Though these are large sums, they have merely met the needs of a portion of the huge population made penniless by the war.

Since March, 1938, the Shanghai International Red Cross has been authorized to extend the scope of its relief program into "other parts of China as the need may arise and resources may permit." Inview of the size of the war-stricken areas, particularly in the lower Yangtze region, where millions of homeless people require immediate help, it is feared that the Shanghai International Red Cross will need a considerable income every month to carry on this additional relief burden.

The people in Shanghai have done their utmost to support the refugees while other local resources are already heavily taxed. In view of this desperate situation, the Shanghai International Red Cross feels that unless increasingly large donations can be secured from friends in outports and abroad, it will soon find it impossible to continue its work.

Will you extend a helping hand in this humanitarian work? If so, please sign your name below and send your donation today.

.....

To the Shanghai International Red Cross,
505 Honan Road, Shanghai.

Desiring to have a share in assisting the multitudes of war refugees in Shanghai, I hereby enclose a check (or postal money order) for Dollars.....as my donation to the Shanghai International Red Cross.

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TO OUR SUBSCRIBERS IN AREAS OF MILITARY ACTIVITY

Hundreds of subscribers, who were forced to leave their homes because of the war situation, have been unable to return and in many instances, have been compelled to establish temporary or permanent residences elsewhere.

As a result they have been unable to receive copies of **The Review** mailed to their normal addresses.

In all cases these back copies have been retained in the office pending receipt of instructions as to new addresses.

Subscribers would thus confer a favor if they would notify this office of their present addresses, with instructions as to methods of routing the paper so as to assure delivery, particularly in Central, West and Northwest China. Mail deliveries between Shanghai and such points as Hankow now require a minimum of 8 to 10 days.

MORE THAN 200 WERE INTERESTED!

Sometime ago **The Review** inquired whether 200 persons would be interested in obtaining in book form, the Day-to-Day record of the war which has been appearing in our weekly editions.

Well, more than 200 subscribers and others responded, many persons ordering several copies to mail to connections abroad. We proceeded with the job and the first volume, covering the developments on the Peiping and Shanghai fronts, from the beginning to Jan. 2 when the German Ambassador handed to Gen. Chiang Kai-shek the original Japanese peace terms, will be ready for distribution shortly. The volume will have about 140 pages and will include several maps showing the various fronts. The title is,

"JAPAN'S WAR IN CHINA" DAY-TO-DAY RECORD

It will answer most questions about military and political developments, when and where they occurred, names of chief leaders. It will show how efforts were made to localize the struggle and prevent it from spreading and how the efforts nearly succeeded and will point to the responsibility for the failure.

It contains references to extent and value of property destroyed, references and suggestions as to American and other foreign policies as they developed to meet the various situations. In short it will answer most of the questions pertaining to details of the struggle and will be an invaluable reference work for those who were here and observed various phases of the crisis—and for those who were not here, but are interested.

The cost of the first volume will be $2, including postage. Those purchasing the first volume will receive a special discount on succeeding issues. Please fill out the attached form and mail at once:

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